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ABSTRACT

Federal governmental impact on the University of Iowa has four forms. The first and most significant is through expenditures on education, student aid, research, health service, and similar efforts. Dramatic variations in the level or kind of expenditures in these areas have far greater effects on higher education programs than do regulations. The second form of influence is through federal laws, regulations, and administrative practices that require colleges and universities to assume a financial burden. A third and potentially more serious impact comes in the form of constraints (for example, on genetic research). The University of Iowa has experienced relatively little of this kind of control. The fourth form of federal influence is the burden imposed by reporting responsibilities; federally mandated paperwork is also a symptom of the other three forms of influence. At the bottom of the current furor over federal influence is a breakdown in confidence between higher education and the government. Restoration of the once-flourishing partnership by resolution of the many separate issues will be an important task for the near future. Appended to the report are documents about the university of Iowa: a publication describing graduate education; the results of a campus survey on the impact of federal regulation; a reprint of an article on the impact of regulation; a summary of federal funds for student aid; and a 1977 annual report on research and related documents. (MSE)

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GOVERNMENTAL IMPACT ON THE UNIVERSITY OF IOWA:

A REPORT PREPARED FOR THE SLOAN COMMISSION ON GOVERNMENT AND HIGHER EDUCATION

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W. J. Farrell

October, 1977

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PROFILE OF THE UNIVERSITY OF IOWA

Chartered in 1847 and in continuous operation since 1855, The University of Iowa is a publicly assisted, comprehensive university, consisting of ten colleges: Business Administration, Dentistry, Education, Engineering, Graduate, Law, Liberal Arts, Medicine, Nursing, and Pharmacy. The University of Iowa is a member of the Association of American Universities, and it is associated with the other "Big Ten" universities and the University of Chicago in the Committee for Institutional Cooperation (CIC).

Students: Student enrollment was 22,393 in the fall of 1976. Approximately one-fourth of the University's students are in the Graduate College and another ten percent are enrolled in the professional colleges of Medicine (1,217), Dentistry (367), and Law (600). On the undergraduate level, more than four-fifths of the students (14,680) are enrolled in the College of Liberal Arts with the remainder distributed among the Colleges of Business Administration (1,135), Engineering (618), Nursing (456), and Pharmacy (413). Enrollment appears to have increased somewhat this year, but on the whole the total number of students appears to be fairly stable.

In the aggregate the University draws approximately seventy-five percent of its students from the State of Iowa and 12.5 percent from neighboring states. Nearly one-half of the non-Iowa students are enrolled in the Graduate College. Sixty-four percent of the University's entering freshmen have "B" averages or above in high school, approximately eighty-four percent ranked in the upper half of their high school classes, and twenty-five percent stood in the upper tenth. Half of the University's students have part-time jobs, and about one-fourth have educational loans.

One out of every ten undergraduates and one out of every four freshmen have scholarships.

Faculty and Degrees: The University faculty numbers about 1,200 full-time members. In addition to the full-time faculty, there are approximately 1,400 part-time instructors, most of whom are graduate students. In addition to a wide variety of undergraduate and professional degrees, the University grants the Master's Degree in approximately ninety-one fields and the Doctoral Degree in fifty-seven fields. (A list is available in Appendix A). On the whole, the University awards between 1,150 and 1,350 Master's Degrees and between 300 and 350 Doctoral Degrees per year with some decline in numbers evident over the past five years.

Areas of Special Note: Without in any way suggesting that there are not other departments and programs of note here at Iowa, certain areas of education and research stand out as especially excellent in the history and in the current profile of the University. Biomedical research in particular accounts for a substantial portion of externally funded research here at Iowa, and health-related educational programs loom prominently in the curricula of the University. Iowa received the National Science Foundation's largest grant for the development of a "Center of Excellence" in the biological sciences, and that grant has added greatly to the strength in this area of the Seventies. Iowa also has a national reputation in the area of space science. Our faculty and students designed and built cosmic ray instrumentation on board the first U.S. satellite and since then have developed experiments aboard more than a score of space shots, including those destined for Venus, Mars, and Jupiter. Iowa is also well known for its Institute of Hydraulic Research, its pioneering as well as its present research efforts in psychology, its contributions to educational testing, its programs in speech pathology and audiology, as well as its role in the arts. The Iowa Writer's Workshop and the International Writer's Workshop, as well as the programs in writing in the Department of English, have made The University of Iowa a center for the study of writing as both a creative art and a functional skill.

Iowa was also a pioneer in the acceptance of creative work--painting, sculpture, musical composition and performance, poetry, drama, and fiction--for academic credit, and as a result it has extremely strong academic programs in these areas today.

Health Sciences: Because it provides tertiary care for the entire State of Iowa, The University of Iowa maintains the largest university-owned teaching hospital in the United States. This health center includes the University Hospital itself, the State Sanatorium, the Psychiatric Hospital, and the Hospital School for Severely Handicapped Children. Closely related to the services of these hospitals is the State Hygienic Laboratory. The magnitude of these operations greatly affects the profile of this University. To place the matter in perspective, 3,124 of the 8.225 full-time employees of the University serve on the staff of the above-mentioned health-service units. Under the roof of University Hospital on any given day, more than 7,000 patients, staff, students, and visitors are present. Since these services are greatly affected by federal and state regulations, the impact of governmental rules on The University of Iowa includes many laws and regulations not associated with all educational institutions.

The Financial Picture: The University of Iowa Financial Report for July 1, 1975 to June 30, 1976 records a total of $201,733,350.95 in income and $193,839,439.30 in expenditures. Of the $201 million in income, approximately $81 million was from state appropriations (including about $23 million for the above referenced service activities), $15.8 million in student fees, $40 million in gifts, grants, and contracts, $40 million in "organized activities related to educational departments" (mostly income through the hospitals), and $20.6 million from auxiliary enterprises, the rest coming from miscellaneous sources. More particulars about the funds from gifts, grants, and contracts will be included in the section of the report on Research.

Governance: The University of Iowa is governed by a State Board of Regents appointed by the Governor. This Board also has governance over Iowa State University (Iowa's land-grant university) and The University of Northern Iowa, as well as two small state schools for the blind and deaf. There is no university "system" in this state.

THE UNIVERSITY'S STUDY OF THE IMPACT OF FEDERAL REGULATIONS

Aware that federal law, regulations, and administrative practices were having significant impact on the economy and possibly the spirit of the University, the Office of the Vice President for Educational Development and Research commissioned in the Fall of 1975 a study of the influence that federal rules and their implementation have on the life of The University of Iowa. The purpose of this study was to make an inventory of which federal regulations affected the University, describing in detail the particulars of their impact. No attempt was made to perform new cost studies, but, if cost data already existed, it was collected. At least three groups were targeted for receipt of an investigative questionnaire: (1) university administrators in central administration, (2) selected academic deans and department chairmen, and (3) project directors of externally funded educational programs and research efforts.

Two questionnaires were used to initiate the study. One was designed for administrators, the other for project directors. (See Appendix B for copies.) The questionnaires were reviewed by a panel of faculty and administrators in advance of their dissemination, and they were modified on the basis of suggested changes provided by that panel. The purpose of the questionnaires was to identify three kinds of impact on the University: (1) actual activities, programs, efforts, etc. mandated by federal laws or regulations; (2) additional administrative tasks incurred by efforts to comply with federal laws or regulations; and (3) certain constraints that might entail opportunity losses of one kind or another. In each case it was recognized that we were interested in psychic as well as economic impacts. The survey sought to distinguish between one time "set-up" endeavors and those that occurred annually. In the case of the former, the survey covered a ten-year period; in the case of the latter, it focused on the 1975-76 academic year.

The questionnaires went out in January, 1976. Unresponsive recipients were contacted by phone and their cooperation was secured. Unclear or incomplete responses also were clarified by phone call or interview. In late winter of 1976 all responses were compiled in a systematic way in a document entitled: "Impact of Federal Regulations on The University of Iowa." (See Appendix B for copy.) The responses were grouped in five categories, corresponding to the sections of the following analysis. Those categories are:

I. Employment and Personnel Administration
II. Students
III. Sponsored Research and Training
IV. Facilities
V. The Teaching Hospital

Codified in the above-referenced format and properly indexed, the impact statement was distributed in May, 1977.

Though hardly a study in the strict sense of the word, this inventory was used extensively by the Congressional Research Service, by the Congressional Commission on Federal Paper Work, and especially by the HEW Interagency Task Force on Higher Education Burden Reduction. The inventory remains unpublished, but it has been reproduced and widely circulated among many individuals interested in the problem, including Congressmen and members of their staffs. Most recently, the data in this inventory served as a basis for an analytical essay on the problem by D. C. Spriestersbach and W. J. Farrell, published in Science, October 7, 1977. (For a copy, see Appendix C.)

Though this above-referenced inventory serves as the principal source of data for the following analysis, its contribution was supplemented by numerous follow-up interviews with respondents in which the data was discussed, interpreted, and in some cases updated.

THE ANALYSIS: THE OVERALL PLAN

As mentioned previously, the analysis will follow the organization of the inventory, beginning with employment and personnel administration and ending with an additional section on physical education, recreation, and college athletics. In each section, comment will be made on both the economic and non-economic impact of Federal laws and regulations. State and other forms of governmental impact will be noted where appropriate. Toward the end of each section, anticipated areas of impact will also be noted. Finally, in compliance with the request made at the July meeting of the participating schools, an effort will be made to estimate the overall cost of the activities discussed. No claim is made for the precision of these figures. Unless otherwise noted, all figures are for the 1975-76 fiscal year.

GOVERNMENTAL IMPACT WITH RESPECT TO EMPLOYMENT AND PERSONNEL ADMINISTRATION

Economic Impact: In the area of employment and personnel administration, two departments, Payroll Records and Personnel, bear the principal burdens imposed by federal regulations. The processing of payroll and associated reporting is affected by a wide variety of federal laws and regulations ranging from the new Pension Law to the Federal Truth and Lending Act. (See Appendix B, pp. 4-5 for a list.) Most of the tasks imposed through federal regulations are small, but in the aggregate they require the presence of one additional employee, attendant space and storage costs, and approximately 15,000 hours in computer and programing expenses. A rough approximation of the direct costs of federal regulations to payroll processing and associated record keeping is about $30,000 annually.

The costs of compliance for Personnel are somewhat greater. In response to our 1976 survey of federal impact on the University, Personnel listed 17 specific activities mandated by federal and state laws and regulations. (See Appendix B, pp. 3-4.) To carry out these activities, the University has generated in recent years five new administrative positions, plus $10,000 in new computer costs. Much of the new expense incurred by Personnel stems directly from efforts to implement affirmative action programs. In addition to these direct expenses borne by the central administration, separate personnel costs occur on the collegiate and/or departmental level, once again prompted by affirmative action efforts. The College of Dentistry estimates, for example, that it expended approximately $8,000 in 1975-76 to initiate and monitor its collegiate affirmative action program. Assuming that level of expense for one college would constitute an average, the total direct costs in personnel administration associated with federal and state regulation could be conservatively estimated at approximately $165,000 per annum in salaries and other direct expenses. The greatest share of these expenses are attributable to both federal and state rules designed to assure equal job opportunities and affirmative action efforts. Excluded from this estimate, of course, is the time and effort that administrators and faculty may give to affirmative action through committees, general meetings, and other forms of participation.

Admittedly some of these costs--direct as well as indirect--would have been incurred in any event, because The University of Iowa is strongly committed to the principle of affirmative action and because it would have undertaken many of the above-referenced activities anyway. Nonetheless, even though the University would have pursued affirmation action efforts on its own, it would not have undertaken the many tasks required by the federal government. Since these tasks are considerable in number and often in scope, this study concludes that federal laws and regulations, augmented by their counterparts on the state level, account in large measure for the economic burden associated with affirmative action.

Impact on Employment and Personnel Practices: Apart from the $195,000 per annum in direct salary and general expenses noted above, which includes costs generated by state policies as well as by internal commitments to affirmative action, it is difficult to assess the impact of federal roles in this area on university practices. Those close to the hiring and promotional practices within the University do believe, of course, that reasonable regulations and their reasonable enforcement help to intensify the internal commitments necessary for affirmative action progress. On the other hand, they argue, when regulations focus on paperwork compliance and enforcement is heavy-handed, a subtle, often unconscious back-lash is generated, prompting those who hire to observe the letter but not the spirit of affirmative action roles. Here at The University of Iowa, such negative reactions are most likely to be caused by governmental administrative practices rather than governmental regulations, and they are most likely to occur at the state level in the investigation of individual complaints. On the whole, however, no adverse impact of a serious nature can be identified, as far as employment and personnel practices here are concerned. Certainly the University does not appear to have suffered any losses in faculty or staff quality as a result of these regulations--or in its efforts to maximize job opportunities for women and minorities. This latter task may grow more complex in the future as other constituencies are added to the affirmative action cause (e.g., the handicapped, the elderly, etc.).

GOVERNMENTAL IMPACT WITH RESPECT TO STUDENTS AND STUDENT PROGRAMS

In this category, governmental impact goes beyond regulations and administrative practices. It involves federal expenditures which directly affect the character of higher education. Without doubt the most important federal impact on students and student programs comes through the various forms of financial assistance the federal government makes available.

Financial Assistance: Appendix D presents a summary of federally based student aid at The University of Iowa for the past four years. As these figures dramatize, the Basic Education Opportunity Grants Program (BEOG) has become increasingly important to University of Iowa students, growing in awards from $38,209 in

1973-74 to $801,093 in 1975-76. In spite of this growth, the BEOG Program has not reduced the continued need for the campus-based programs. Last year, for example, 464 students at the U of I took advantage of the Supplemental Education Opportunity Grant Propram (SEOG) receiving a total of $356,436. Almost one-half of those students are minority students. Similarly, the College Work-Study Program remains a critical part of our student aid effort. Last year our requests for work-study funds were approximately double the amount actually received. Even the Direct Student Loan Program (NDSL), which declined somewhat in the amounts received and requested, served 2,107 students at the U of I, providing $3,122,322 in federally insured loans.

In judging the magnitude of federal support for U of I students, of course, it is important to keep in mind that two of the largest student assistance programs are not represented in these figures, and these are the student assistance efforts provided through Social Security and the Veterans Administration. Federal support for health science students has also played an important role in student assistance here at The University of Iowa. Finally, there are some smaller programs, such as the Upward Bound Program (approximately $150,000 for 1977-78), and the Special Services Program (approximately $97,000 for 1977-78), which provide specialized forms of student assistance to the economically disadvantaged.

These are important programs to The University of Iowa, though administrative rules have reduced the positive impact of one form of student assistance on this campus. The allocation formula for the distribution of work-study funds fails to direct support to those regions where it is most needed. The result is that at least $30 million in work-study funds went unspent in 1976, while institutions such as our own were receiving only a fraction of what we could use. Here at The University of Iowa, for example, we requested $1.2 million in 1975-76 but received $791,104; we requested $1.6 million in 1976-77 but received $751,459.

Economic Impact on the University: As far as the expense of these student aid programs to the University is concerned, it is clear that they have added significantly to administrative costs in recent years. The salary budget of the Student Financial Aids Office has grown from $50,094 in 1967 to $155,905 in 1975-76. This growth in salary budget reflects salary increases over the year, but it also parallels a major increase in administrative and clerical staff. In 1967, the Financial Aids Office consisted of two administrators and three clerical workers. In 1975-76 it consisted of six administrators, five clerical workers, five graduate assistants, and six student hourly workers. During the same time period general expense rose from $3,500 in 1967 to $30,000 in 1975-76. The growth still continues with one administrator, two clerical personnel, and six student hourly employees being added in 1976-77. The Director attributes "90%+" of the growth in staff to meeting requirements established by federal regulations governing these programs.

In evaluating these data, of course, it is important to recognize that such costs reflect growth in the student-aid programs themselves as well as The University of Iowa's own commitment to insuring that students receive quality counseling in financial assistance. Moreover, some programs require more service than others. According to the Student Financial Aids Director, for example, the BEOG and FISL programs take more personnel and more time than the three-campus based programs combined. Nonetheless, it is fair to say that compliance with federal regulations accounts for a substantial proportion of the growth in administrative costs here. Frequent changes in reporting requirements for student assistance programs are an important factor in the generation of these costs.

The Veteran's Administration: A major administrative task closely associated with student assistance is the compliance effort required by VA regulations. According to our registrar, whose office performs most of the required tasks, it costs the University approximately $20 per benefit recipient. The VA reimburses the University for its work each year at a rate of approximately $4 per benefit recipient. Since the University had about 1,375 veterans on its campus in 1975-76, we estimate that our cost of servicing VA programs was in excess of $22,000.

Cost is merely one feature of the impact that the VA has on the University, however. Since some veterans try to collect unwarranted benefits from the Agency and since some proprietary schools strive to exploit both the veterans and their educational benefits program, the VA has become increasingly restrictive in recent years in the requirements it imposes on postsecondary institutions, often demanding that the institution function as a policeman on behalf of the VA. Proposed and sometimes imposed requirements would impact on a wide range of academic policies. Without detailing all the particulars of every VA-University problem over the past year, it can be said that this particular agency tends to place psychic as well as cost burdens on educational institutions. Regarding the former, two causes usually lie at the root of every VA-related problem. Those are: (1) an unwillingness by the VA to provide reasonable time-frames for compliance; (2) a lack of understanding by VA officials of the academic world and its constraints.

Conditions of Health Manpower Capitation Support: Similar in their intrusiveness into academic life are the conditions imposed on health colleges that accept capitation funds under the new health manpower authorization. Capitation funds are not a direct form of student assistance, but they are a form of institutional support tied directly to the number of students accepted in health professional programs. Though the figures vary from year to year, these funds in 1975-76 amounted to $607,170 in Dentistry,$1,020,797 in Medicine, $115,815 in Nursing, and $232,403 in Pharmacy at The University of Iowa. Stipulations regarding student numbers were always associated with these grants, but in recent years other conditions affecting curricula and admission policies have been added. The most publicized is the requirement that colleges of medicine receiving capitation funds must accept certain third-year American students now in foreign medical schools into their programs. Less publicized have been some of the curricular requirements for schools of dentistry and pharmacy. While rare in other areas, intrusions into academic policies are common in the health fields as far as student-related programs are concerned, and, should capitation continue, they are expected to increase in number.

Just as serious in fact, if not in principle, is the problem of abrupt discontinuations in funding programs in the health area. In 1973, The University of Iowa found that over seventy federally supported, health-related education programs on its campus had been abruptly discontinued or scheduled for phase out. Since some of these programs had been in existence for more than a decade, they had become an integral part of the University curriculum, and they could not be instantly phased out without serious loss to other collegiate programs. Fortunately, the State Legislature agreed to shoulder between $2 and $3 million in estimated federal fund losses per annum for several years. Though little more than $1.5 million has been drawn down in any given year to date, the problem of those federal fund losses continues to live with us, prompting greater state supervision of grant-seeking efforts.

Other Student Services: Governmental laws, regulations, and administrative practices impact significantly on several other student-related programs. Several student service activities are affected directly by the Family Education and Privacy Act of 1974 (the Buckley Amendment), for example. In terms of the Registrar's Office, additional duties imposed by this law have prevented the elimination of one clerical position. In the case of the Placement Office, the Buckley Amendment has generated some modest out-of-pocket costs, but more importantly it has significantly consumed service resources that would have otherwise been invested in helping students secure placement. Another student service significantly affected by federal regulations and administrative practices is the Foreign Student Advisory Office. Assisting foreign students in their efforts to comply with the rules of the Immigration and Naturalization Service (INS) consumes 30 percent of the time of two Foreign Student Advisors, plus 75 percent of one secretary's time. The salary costs alone to the University amount to approximately $18,000 for this purpose.

Summary: The direct costs for the student-related programs discussed above amounted to at least $260,000 in 1975-76. In contrast to federal laws and regulations affecting employment practices, however, those pertaining to students often lead to direct involvement in the affairs of the University. This is also true of those in the next category.

GOVERNMENTAL IMPACT WITH RESPECT TO RESEARCH

General Impact: In the 1975-76 fiscal year, the University of Iowa accepted $42,407,195 in grants, gifts, and contracts from external agencies, including $20,736,00 in research support. This past fiscal year (1976-77), the total amount accepted was $44.3 million, including $24.2 million research support. These figures represent a 17 percent increase in research funds from external agencies, and they reflect a break in what had been a recent plateau in external support. (See 1977 Annual Report on Research at the U of I in Appendix E.) Using $115 million as a base, federally supported research constitutes somewhere between 18 percent and 21 percent of the expenditures most directly related to the educational and research mission of the University.

In 1975-76, 455 grants and contracts were accepted from the federal government by the University, and this number reflects a fairly steady volume of successful applications from year to year. The greatest degree of support came from the Public Health Service of HEW, followed by the Office of Education, HEW, NSF, NASA, and the Department of Defense. The same order of ranking prevailed in 1975-76 as in 1976-77. See Appendix E for specifics. As the figures in that appendix reveal, the health-related departments clearly account for the lion's share of the research dollars that come to The University of Iowa. Next to the major departments engaged in biomedical research, physics is undoubtedly in second place among the larger recipients of federal support on this campus. In spite of the dollar dominance of these two areas, however, ninety-nine units of the University received some degree of external support in 1975-76, and the same was undoubtedly true this past year. Enclosed also in Appendix E is a print-out of external research support by department.

Grants and contracts do not account for the only form of federal research support that the University receives, however.

General Research Support for NIH and capitation funds are significant sources of research support, particularly for younger faculty.

Most federal research support that comes to the University of Iowa is for basic research (90%). In contrast to many research-oriented universities, Iowa had remained relatively traditional with most projects reflecting the interest of individual investigators, pursuing basic research questions within particular, well-defined disciplines. The great shift in recent years toward targeted research on a national level has forced more interest in center grants, group ventures, and interdisciplinary research, especially in the biomedical area. This University has also been affected significantly by the national emphasis on clinical research at the expense of basic inquiry. Nonetheless, in spite of these impacts, Iowa has been less responsive perhaps than other major research institutions to national trends in research funding. Though the trend toward contracts rather than grants is hardly a new phenomenon, for example, the number (if not the size) of most research contracts is still relatively small compared to the number of grants received.

Perhaps one reason why the University is not as responsive to national trends is because our dependence on federal dollars for research support varies greatly from one research component to another. Federal research dollars play a key role in providing salary support for faculty in the College of Medicine, for example, but in most colleges and departments federal money is not a key element in subsidizing investigators' salaries. Graduate student support depends heavily but by no means exclusively on external funds, since an annual internal bloc allocation offers extensive support for graduate students across many departments. Without question equipment is the research component most dependent on federal dollars. Overhead costs are recovered through our indirect cost rates on research, but they are also incurred by the research projects themselves. Payment of overhead is hardly a reason for encouraging research applications to external agencies--at least not in the long run.

In fact, indirect cost recovery is a major and often vexing task for the university administration, because of state-based policy. Here at the University of Iowa indirect cost recovery must be anticipated in our budget as a source of revenue. State appropriations are then reduced proportionately. If the actual recovery of indirect costs falls short of the anticipated recovery, then the University must reallocate its own resources to make up the difference. Recovery in excess of what was anticipated has benefited the University in a given fiscal year, but it has also increased the estimate of recovery for the following year. It is easy to see how the University's administration is highly motivated to maximize the recovery of costs but how it must also operate with some fiscal uncertainties for a certain portion of the year.

In evaluating the impact of federal research support over the years, it is clear that external support has affected the profile of the University. There is no doubt that some departments, such as Speech Pathology and Internal Medicine, would not have the size or the reputation they enjoy today if it were not for an aggressive pursuit of federal funds in the past. On the other hand, other departments on campus may have less visibility and scope today because they did not pursue the federal dollar. Undoubtedly grants help to generate a strong faculty, and a strong faculty attracts strong graduate students. There is no simple correlation, however, between grant money and graduate student enrollment. On the contrary, as grant funds have increased on this campus, graduate student enrollments have declined. Similarly, it is difficult to link salary increases or curricular changes in academia with research support patterns, though there may be an indirect relationship.

The research ingredient most readily affected by shifts in federal funding is equipment. Because inflation has greatly eroded the purchasing power of our "steady-state" research dollars in recent years, the University has encountered a serious problem. It is much more difficult today to maintain equipment that is up-to-date and that reflects the latest technological advancements. This is partly because of a revolution that seems to be taking place in the world of scientific instrumentation, but it is also partly because federal support for equipment has not kept pace with inflation and scientific needs. A dramatic increase in research funds this past year has not ameliorated the problem.

When one turns from questions about economic consequences to those that concern less easily measured impacts, such as research-field and research-topic choice, it is very difficult to assess federal influence. Certainly faculty know how to relate their own basic research interests to those of targeted federal programs, but it is very difficult to say whether or not faculty research activities are significantly modified in the process. Without doubt, federal dollars do affect the level of research activity in this university; without doubt, they affect research training programs and hence choice of fields; and in the long run they may even affect the kind of research that is being done. It is very difficult to trace this kind of complex and indirect line of influence to individual projects and individual professors, however.

Regulatory Impact: With respect to regulatory impact on the research enterprise at the University of Iowa, our inventory distinguished among three kinds of impact: 1) impact on program or project administration; 2) impact on the University's fiscal administration; and 3) impact with respect to constraints.

Impact on Program or Project Administration: For comments of individual project directors on this kind of impact, see the sample contained on pages 19-22 of the document in Appendix B. As their remarks suggest, investigators' views range from general acceptance of the imposed rules of administration to dissatisfaction with a specific rule. Generally speaking, there has been only one major research project on this campus funded by the federal government where program administration has been so intrusive that both the project director and the University question the advisability of its continuance.

Apart from this unusual case, the greatest intrusions into program management come in some of our training programs and special projects grants in the health areas. Here annual work plans and continuation reports have been imposed on the project directors, who have had great difficulty complying, because the formats of the required plans and reports are based on industrial models. These administrative tasks were imposed after the grants were made, and they were imposed by the Region VII Office, not by Washington. On the whole, however, direct interference in research programs and projects by the federal government remains more a threat than a reality even today.

Impact on Fiscal Administration and Grant/Contract Applications: In this area, governmental impact has been much more dramatic. The Intergovernmental Cooperation Act that was implemented by the Office of Management and Budget A-95 regulations has meant that a number of University programs must go through a local and state planning clearinghouse for review prior to being submitted to the federal government. In addition, the HEW Public Health Service has also required that Special Projects applications go to local Health Planning A and B agencies for review. Similarly the Fund for the Improvement of Postsecondary Education, as well as certain OE based programs, require review by the 1202 commission in the state. What is emerging is not a simple case of federal impact or state impact but a confusing array of various kinds of governmental involvements, beginning on the national level and descending to the regional level, the state level, and even the local planning agency level. In all of this, there is the danger that proprietary material will fall into the hands of competitors, that governmental and semi-governmental groups will have greater influence over the internal affairs of the University, and, last but not least, that the complexity of the review process will deter potential project directors from pursuing external support. Equally dramatic is the impact that federal regulations are having on the financial management of grant funds, often through the audit process. On the positive side, this impact has prompted universities (including our own) to treat all costs in a more rigorous fashion, and that is salutary. Many accounting practices insisted upon by federal agencies are not truly cost effective, however, and, as a result, they add needlessly to indirect costs, reducing funds available for research. Moreover, the enforcement of fiscal regulations is often undertaken in such a way as to diminish the partnership qualities that supposedly characterize university-government relations. We believe that there is a very serious problem developing here on the national level. For specific examples of mandated fiscal management tasks, see pages 24-30 of the document in Appendix B.

Impact on the Constraints of Research: Federal impact on research constraints is much greater than on project management, but it is not nearly so pronounced as it is in the area of fiscal management. Here at the University of Iowa, regulations regarding human subjects constitute the research constraints that require the largest investment of time and money. Approximately twenty-two man-hours, fourteen professional and eight clerical, are spent each week monitoring and reporting information required to satisfy human subject regulations. In addition to this investment of staff time in the Office of Sponsored Programs, four faculty committees on the university level review applications for compliance. In the case of one of these committees (the one concerned with proposals from Medicine, Pharmacy, and Nursing), the investment of faculty time is substantial, and it is rising. In 1974, 1,622 man-hours were spent reviewing proposals; in 1975, that figure rose to 1,867. In spite of the burden, investigators had relatively little criticism of human subject regulations.(See pages 35-36 of the document in Appendix B for PI commments.) On the whole, they share the University's official stance that regulation in this area is most proper and necessary.

Apart from human subjects, the University invests considerable resources in radiation protection safety. Disposal of radioactive materials is becoming increasingly expensive and complex, but community views rather than governmental regulations constitute the principal cause. Animal care is also an area affected by federal regulation, but it is a minor one here at this university. A biohazards committee exists to cope, not only with the much publicized problem of recombinant DNA research, but also research using dangerous viruses, bacteria, etc. The tasks of this committee have not been onerous to date, but obviously they could increase dramatically in the months and years ahead, depending on the outcome of current legislative efforts.

Summary: Certainly federal support plays a critical role in maintaining the research activities of this university, although all departments and colleges are not affected equally. Dramatic decreases in support levels or even a "steady-state" in support dollars has a most serious and direct impact on this university. As far as federal regulations and their implementation are concerned, there is very little evidence that the laboratory of the scientist or the library of the humanist has been invaded by the long arm of the government. If research has been affected by the federal government, it has been through its funding decisions, not through rules. On the other hand, grant applications and fiscal management have been much affected by regulations and their narrow enforcement. Little has been said in this section about the economic impact of federal regulations on research, since these costs are theoretically retrieved through indirect cost recovery. The fact of the matter is that such costs are not always totally recovered. Moreover, though the University is able to pass many of these costs back to the federal government, it shares the individual researcher's concern that higher administrative costs for compliance will mean less for research. Lastly, we are acutely aware that rising indirect costs affect negatively the attitude of Congress toward universities and research. Nonetheless, the point needs to be made that the University does bear a financial burden as a result of its research partnership with the government, not in the form of costly compliance rules, but rather through mandated as well as voluntary cost-sharing. The total amount of cost-sharing here at the University of Iowa for both state and federally financed projects was $3.97 million in 1975-76, and research accounted for $2.5 million of this total. Most of this was for federally supported efforts. We believe that this figure is a most meaningful one in measuring the economic costs of our partnership with the federal government and other external agencies.

GOVERNMENTAL IMPACT WITH RESPECT TO FACILITIES

On the whole, federal rules and regulations affecting grounds, physical plants, and their maintenance stem from one of three sources. The first is OSHA, which subjects the University to comprehensive safety and health standards. The second is the EPA, which subjects the University to exacting air and water quality standards--as well as rules for solid waste management. The last is a recently signed set of regulations regarding the handicapped.

OSHA: The regulations stemming from this legislation require extensive physical renovations for compliance, as well as elaborate record-keeping, inspection, employee liaison, monitoring of toxic and/or explosive atmospheres, collection and disposal of hazardous wastes, and preparation of purchase and contract specifications. The capital costs alone for the University of Iowa have been estimated at $25 million. Minor repair, renovation and value of administrative man-hours may add up to an equal amount over the next 20 years. To reorganize internally for both OSHA and EPA required the addition of three new personnel at approximately $38,000 per year, plus attendant costs for space, equipment, etc. Included in the start-up costs was an additional $64,000 for field monitoring. Not easy to calculate are the many hidden costs that mandated administrative tasks generated in other offices across the campus. In the opinion of the Director charged with implementing the rules on campus, very few of the regulations creating the above costs "relate to the major fraction of occupational injuries and illnesses."

EPA: The regulations of the Environmental Protection Agency are indirectly imposed via funding stipulations to the Iowa Department of Environmental Quality. Apart from the expenses noted above, compliance with EPA regulations required initially an investment of 100 man-hours of the Director's time, plus 150 man-hours per year of colleagues on the physical plant staff. Most of the work hours are of a planning nature and, hence, nonrecurring.

Regulations Regarding the Handicapped: The third source is a relatively recent one. In Spring 1977, HEW Secretary Joseph Califano signed a set of regulations implementing Section 504 of the Rehabilitation Act of 1973. These regulations implement the civil rights provisions for the handicapped, and they have serious consequences both for programs and facilities in higher education. At the moment the programmatic implications of these regulations are not fully realized, but their impact for facility renovation has already been felt. Long before these regulations were placed in effect, the University of Iowa had taken serious steps to make its campus more accessible for handicapped students. A total of $541,680 had already been invested in facility renovations to render classrooms and other student facilities available for the handicapped. Moreover, the Board of Regents had committed an additional $280,000 to carry out further work for that purpose.

The new regulations require that the University undertake far more extensive renovations than it had originally planned to do, however. Under the University's plan, only those facilities used by students would be modified for the handicapped. The new regulations insist that all facilities be made accessible. This will require an estimated $520,000 over and above the amounts already spent or committed for accessibility. Total costs will exceed $1.34 million. In the opinion of our president, this is a good result.

Title IX: Compared to the above-described programs, the impact of Title IX on facility modifications is fairly modest. To meet Title IX requirements in the area of physical education and recreation, the University had to provide dual locker rooms and other facilities where they had not existed before. The total cost of these renovations amounted to $30,740. In the opinion of our president, this is a good result. For the programmatic consequences of Title IX, however, see the discussion below on athletics, physical education and recreation.

Space Utilization: Apart from the laws referenced above, a number of federal programs require reports involving detailed space inventories and utilization rates. These include Titles I, II, III and VI of the Higher Education Act and its subsequent amendments, as well as the NSF Undergraduate Scientific Equipment Program. In addition, the HEGIS report and our calculation of indirect cost rates also require an elaborate computerized record of facility use. To maintain this computerized inventory of 225,000 items generates approximately $17,000 in direct costs.

Summary: The impact of federal regulations on facilities is almost entirely an economic impact, and OSHA accounts for most of the costs incurred. Ignoring entirely the concept of present value, a $25 million investment in plant modifications would amount to a $625,000 annual depreciation expense, if a forty year amortization were assumed. Moreover, if another $25 million would be invested in minor repairs, renovations, and administration over the next twenty years, the University can anticipate an averaged expense of $1.82 million per year to comply with OSHA. Including campus-wide modifications for the handicapped, therefore, federal regulations currently mandate more than a $2.3 million investment in facilities per year at the U of I.

GOVERNMENTAL IMPACT WITH RESPECT TO THE HOSPITAL

In this category, we encounter federal regulations that do not pertain to universities per se, but that significantly affect the total well-being of many educational institutions that do have teaching hospitals. It would be impossible to discuss in this brief report all the activities generated by federal laws and rules in our hospitals. The following examples illustrate the major areas of impact, however.

Planning Legislation: This has been the most burdensome form of federal impact for our hospitals. As a result of P.L. 89-749 and P.L. 90-147, a national system of reviewing capital expenditures of health-care facilities was created in the Sixties. The Social Security Amendments of 1972 mandated that all capital expenditures exceeding $100,000 must be submitted to the state Comprehensive Health Planning Agency for prior approval. Virtually every physical renovation in our hospitals exceeds $100,000, and at least three pieces of equipment exceeded that cost in 1975-76. The review process is time-consuming and costly. The planning process has been restructured recently, but without any reduction in its complexity.

Patient Care Review: One of the fifty-seven provisions of P.L. 92-693 affecting hospitals mandates the evaluation of the quantity and quality of care given patients. The mandated evaluations are extremely costly. The first study here of care given to patients with one disease entity in one department took forty physician-hours and over 350 clerical hours. Four additional people have been added in the Medical Record Department to assist physicians in patient care evaluation.

Licensure, Accreditation and Validation Studies: University Hospitals are for all practical purposes subject to the standards of an accrediting body known as the JCAH, since compliance with their standards is accepted in lieu of compliance with certain federal standards. JCAH review is time-consuming and costly in its own right (involving responses to a 1,000 question survey), but the Social Security Admininstration in turn reviews the quality of JCAH surveys, and hence it conducts its own validation surveys in university hospitals.

Accounting and Billing: Medicare-Medicaid requires a special fifty page accounting report each year that is ten times more complex than that required by any other third-party provider. This special report alone requires an additional $48,000 in accounting expenditures. Similarly, many of the special Medicare-Medicaid programs require more complex reporting than other third-party payers. (The renal disease program is a case in point.) In 1975-76 two additional personnel were hired to meet these additional reporting requirements.

Other Social Security Administration Requirements: Many other minor requirements result in the need to hire additional staff. The Social Security Administration's demand for discharge planning has necessitated the hiring of a discharge coordinator, for example. Similarly, the Medical Record Department has had to hire an additional person in the past year to complete the revised disability determination procedures.

Additional Regulations: Many laws and their consequent regulation affect the management of drugs. In 1974-75 blood came under stringent FDA regulations covering all phases of donation, processing, labeling and storage. Similarly, building design and construction is much affected by a mandated Medicare-Medicaid "life safety code," by the provisions of the Hill-Burton Act, and by HEW regulations pertaining to the handicapped. Even VA policies affect the administration of our hospitals, since we have cooperative arrangements with the VA hospital in this area. Finally, there are hosts of other regulations, common to all institutions as well as special to hospitals, that generate many costs and raise many barriers in our hospital environment.

Summary: It is very difficult to estimate the cost of the regulatory activities cited above, since most are passed on to the patient and/or a third-party payer. Secondly, it is difficult to argue that such regulations affect the mission of a university as such. Nonetheless, like the research administration costs that return to the federal government, compliance costs that raise patient costs and increase third-party payments help to generate hospital cost containment measures that could seriously affect the role University Hospitals perform as the tertiary care center for the state and as teaching-research institutions.

Moreover, the growth of external constraints creates special problems for our hospitals, since the regulations imposing those constraints do not always take into consideration the special character of a teaching-research hospital or of one providing tertiary care for an entire state. Costs and constraints generated by governmental rules for hospitals do create serious problems, therefore, not only for the health service functions this University provides but also for a critical dimension of its teaching and research mission. For further details see pages 42-45 of the document in Appendix B.

PHYSICAL EDUCATION, RECREATION, AND INTERCOLLEGIATE ATHLETICS

The area of regulation most frequently mentioned with respect to these departments consists of those rules designed to bar descrimination on the basis of sex. Because of its traditional interest in maintaining equality of opportunity for both men and women in these areas, The University of Iowa believes that it has experienced less change because of regulations than other institutions have. Recreation services for men and women were merged in 1973. Since then the budget for those services has grown from $90,941 per year to $203,929 per annum, and approximately $35,000-$40,000 of this increase can be attributed to expanded opportunities for women. A long-standing P.E. requirement in general education for all students has insured that P.E. opportunities for both men and women were traditionally comparable in quality and quantity. Today what was once the Men's P.E. and what was once the Women's P.E. are open to all students regardless of sex. Each department serves approximately the same number (500) and the same percentage (25%) of students who were historically served by the other department. The staffs of the two departments remain separate, however. With regard to athletics, the University created the position of Director of Women's Intercollegiate Athletics in 1973, and it expanded the budget for that area from $13,000 to $300,000 per annum.

CONCLUSION

In reviewing the ways in which the federal government affects the University of Iowa, it becomes evident that governmental impact takes one of four forms. Three of these forms are significant. The fourth has received far more attention than it deserves as a problem area. The first and most significant kind of impact that the federal government has is through its expenditures on education, student assistance, research, health services, etc. Dramatic variations in the level or the kind of expenditures government makes in these areas have far more effect on the programs of higher education than all the current rules and regulations taken together. This the University of Iowa discovered most concretely in 1973 when there was an abrupt elimination of certain support programs in the health area. Less dramatic perhaps but even more significant are long-term shifts in the research support patterns of the federal government. If the federal government should continue to increase its support for targeted research related to energy and at the same time hold constant or reduce its support for biomedical research, for example, the future course of The University of Iowa would be most seriously affected. Similarly, a cessation of capitation funds in the next several years will have a far greater impact on our college of medicine than the regulations pertaining to American medical students in foreign schools. It is the positive actions of government which have had the greatest impact on American higher education, and on the whole that impact has been a good one.

A second way in which the federal government impacts on higher education is through laws, regulations, and administrative practices which require colleges and universities to assume some new economic burden. This kind of impact might take the form of a mandated social program or an additional administrative task, but, whatever the particular form, it is a burden that carries with it uncompensated costs for the institution. A vast array of these various burdens have been identified and priced in this survey.

In most cases, the purpose behind these imposed tasks is a good purpose and often one the University endorses in its own efforts. (e.g. affirmative action, worker safety, availability of facilities to the handicapped, etc.) Much has been said about the sheer number of such burdens, but, as our survey reveals, only a few account for most of the costs. Here at The University of Iowa, for example, all the administrative tasks imposed by government in the area of employment, personnel practices, student assistance, and student-related programs would not equal our costs for complying with the handicapped regulations on facilities. Similarly, all other federal laws, regulations, and administrative practices imposed on this University cost only a fraction of what the U of I currently spends on compliance measures for OSHA regulations. Major pieces of legislation cutting across the entire economy are usually responsible for the most costly federal burdens, and, while they emerge only occasionally, they do occur with some regularity. Current legislation which will raise the mandatory retirement age to seventy will have very significant economic as well as non-economic consequences for higher education, for example. It is a mistake to assume that, with respect to this kind of governmental impact, we have reached a "steady-state" environment. Including cost-sharing of $3.97 million, we estimate that our operations under federal law and in partnership with federal agencies necessitates an annual investment for the U of I of at least seven million dollars. Excluding fees for health services and indirect cost revenues (where the costs of regulation are substantially passed on to other parties, including the federal government), this 7 million dollar figure represents approximately 4.5 percent of the University's income in 1975-76. Not included in this estimate are the costs of federally mandated social programs where the incidence of the cost falls on the faculty and staff. (The Employer's contribution toward Social Security is a case in point.)

A third and potentially more serious form of governmental impact comes in the form of constraints. Here at the University of Iowa we found relatively few examples of where the federal or state government had intruded into research, curricular, or academic policy areas in an unacceptable way. Nonetheless, as the preceding survey reveals, intrusions have occurred, and they set bad precedents. This is particularly true with respect to the provisions to the Health Professsions Education Assistance Act of 1976. It is also true of the VA's efforts to impose regulation on university practices. Moreover, there is legislation in the wings that suggests that the problem of constraints will grow rather than diminish in the years ahead. The Kennedy bill on recombinant DNA research is but one example of how federal involvement in university activities may intensify. At the moment, however, constraints are likely to be felt more by university administrators rather than directly by scholars and teachers. Federal impact through this form of control is still more a future danger than a present reality, but of all the forms it could prove to be the worst for intellectual inquiry in the classroom and the laboratory.

The fourth form of governmental impact takes the shape of administrative duties imposed on higher education. For the most part these are reporting duties, and they are often described in the popular press as the "paperwork" problem. Federally mandated paperwork is a problem, of course, but it is hardly the most noteworthy form of federal impact. In fact, "paperwork" or reporting obligations are really symptomatic of the other three kinds of governmental impact. In identifying the governmental impact issue with paperwork, the press has actually focused attention on the most superficial dimension of the problem. Many of the recommendations to reduce paperwork for universities are good recommendations, and they should be adopted. The implementation of such reforms will not solve the problem, however, since in the vocabulary of academia "paperwork" is an encapsulation of a wide variety of larger issues.

What really lies at the bottom of the current furor over governmental regulations is a lack of trust and confidence on the part of government and higher education in each other. The resolution to the vast array of separate issues introduced in this survey--from mandated reports to unreasonable constraints to onerous economic burdens--will depend in large measure on how effectively government and higher education can restore the basis of the partnership that flourished in the last two decades. It is our hope that the work of the Sloan Commission on Government and Higher Education will be an important step in that direction.

IMPACT OF FEDERAL REGULATIONS ON
THE UNIVERSITY OF IOWA

- A compilation of
campus-wide responses -

revised May 24, 1976

Office of the
Vice President for
Educational Development
and Research

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INTRODUCTION

In March of 1976 William Farrell, Associate Vice President for Educational Development and Research sought information from selected University Departments and Offices and project directors of federal grants about the impact that federal regulations, special studies, and decentralization has had on the University. (See Appendix 1) Respondents were asked to give examples of specific kinds of federal regulations that have been costly and time consuming to their office.

The largely unedited responses in the attached document have attempted to present a picture of all the federal regulations with which administrative offices must deal. Many of the respondents have presented compliance cost figures that, if multiplied by the costs to every institution of higher education in the country, would demonstrate the onerous financial burden of these regulations to the education community. The University has not made an attempt to comment on the merits of the regulations or to assess the total compliance costs on this institution, but the significant burden that it places on the University should be of concern to students, taxpayers, the faculty and the administration. Scarce financial and talent resources are being diverted from education and research to comply with many well intended regulations, some of which have not demonstrated that the benefits outweigh the costs.

The material in this presentation has been organized into five functional sections. The first deals with the offices that handle personnel administration. This includes the areas of recruitment, hiring, payroll and employment benefits. Many of the regulations of concern to these offices are also discussed by other University functional units. Affirmative action plans, for instance, must be of concern to the areas of student admissions and registrar area, financial aids, sponsored research and training. This section is followed by a discussion of programs that relate specifically to administrative units that serve only the students. Faculty concerns as well as administrative concerns of the Business Office and the Offices of the Vice President for Educational Development and Research are discussed in the third section of the report titled "Sponsored Research and Training." The fourth section discusses regulations that deal with University facilities. Finally, a comment has been prepared by the University Hospital that discusses problems unique to a University teaching hospital. Extensive appendices referred to in the text are available for study should there be such a need.

A summary paper discussing these findings is under preparation.

I. EMPLOYMENT AND PERSONNEL ADMINISTRATION

Specific items of federal legislation, regulation and/or administrative procedures affecting the University's Personnel operations are:

1) Equal Employment Opportunity
   Title VII of the Civil Rights Act of 1964, as amended.

2) Equal Pay Act of 1963

3) Affirmative Action
   Executive Order - 11246, as amended, issued in 1965, amended to include discrimination on basis of sex, 1967.

4) Minimum Wage
   Wage and Hour Law: The Fair Standards Act of 1938, as amended (FLSA).

5) Unemployment Insurance
   Social Security Act - Employment Security Amendments - 1970

6) Social Security Tax Increases
   Social Security Act - Employment Security Amendments - 1970

7) Pensions
   Employment Retirement Income Security Act of 1974 (ERISA)

8) The Occupational Safety and Health Act of 1970

9) Fair Labor Standards Act

10) Supplemental Retirement Annuities

11) Federal Truth-in-Lending Act

12) Privacy Act

Some of the implications to University operations are:

1) ERISA - Employees Retirement Income Security Act (1974)

   Effective 1-1-76, this Act will set limits on the maximum amount that may be tax deferred toward retirement annuities covered under Section 403(6) of the Internal Revenue Code.

   Compliance with this Act will initially require additional computations requiring, I would estimate, one person's time for approximately 3 weeks. Thereafter, it will increase the time involved in computations of maximum tax deferrals by approximately 10-15%.

The Act has specific guidelines that allow 3 exceptions. When the Administrative rules concerning the exceptions are drawn up, it may be that it will increase the time needed for computations by 1 to 2 times. It would probably mean an increase in appointment time from an average of approximately 1 hour to an interview time of 1-1/2 hours.

2) OSHA - Occupational Safety and Health Act

The effects of OSHA on the Staff Benefits office has been to increase the time spent on Workmen's Compensation claims by approximately 30 to 40%. The Act requires a log of occupational injuries and illnesses be kept that is available for inspection anytime and must be current within 24 hours. The Act has also brought about the need for additional storage space as all accident claim reports must now be kept six years instead of the three years we had been keeping them. An annual report must be prepared on a calendar year basis and displayed in a prominent place from February 1 until March 1 of each year. The time consumed in preparing the annual report is approximately 2 days time for one person.

3) Income Tax Treaties with Foreign Countries

Income tax treaties with foreign countries require special handling for payroll setup and the completion of special forms and accounting procedures. On an average, it would take between 15 and 20 minutes extra to set up someone for payroll that is covered under a foreign tax treaty.

4) Workmen's Compensation

The administration of Workmen's Compensation at the University of Iowa has necessitated the time of one person almost exclusively. Although funds to pay workmen's compensation claims come in the form of a direct state appropriation to the IASC, the University must involve itself in day to day administration of this program. The Staff Benefits office initiates the filing of all claims, keeps all records and mails checks to agencies billing for their services as well as handling income reimbursement checks. There are numerous forms that need to be printed and with OSHA requirements mandating the saving of claims six years, a great deal of filing space is and will be needed.

5) Unemployment Compensation

The extension of Unemployment Compensation to the University has resulted in both direct and indirect cost to the University.

At the present time, direct costs to the University in the form of reimbursable benefits are running approximately $120,000 annually.

Administrative costs consist of approximately 60% of one clerical person's time to handle day to day routine processing and appeals, approximately 3 formal hearings per month which average approximately 5 hours each (preparation and attendance), accounting time (departmental accounts are charged and the funds collected are pooled to support direct costs of the program), and reports and reconciliation of charges which constitute approximately 15 hours annually. All employees of the University are covered under the U.C. Act with the exception of certain students.

6) SUA - Special Unemployment Assistance Act

This act was temporarily adopted to extend Unemployment Compensation benefits to individuals that had not previously been covered by the law (in the case of the University to student employees). Although this act does not bring any direct costs to employers, it does have a considerable administrative impact. The Federal Government pays the actual cost of benefits paid. For every claim that is filed, the employer must reconstruct, by quarter, the salary history of that individual in the previous four quarters of employment. Timewise, it takes approximately 20-30 minutes per claim. The act has been extended for an additional year and may continue to be extended indefinitely.

Specific activities in the University Personnel office include:

1) Personnel data file computer tapes (information on each employee)
2) Establishment of Affirmative Action Office and development of affirmative action program (many of the items below are also included here)
3) Periodic computer print-outs for HEW
4) Periodic Progress Reports for HEW
5) Affirmative action advertising requirements
6) Monitoring of affirmative action recruitment procedures
7) Merit System changes (new classifications, salary schedules, tests, rule of top 5, etc.)
8) Development of administrative and professional employee classification system
9) Increased record-keeping at all stages of the employment/selection process: Personnel Service, department/unit office, college/major unit office, central administration
10) Internal grievance procedures (formal and informal)
11) Settlement costs (includes administrators' time in working with complainants and in some cases external compliance agencies as well as actual monetary payments to complainants)

12) Training/information sessions with supervisors

13) Development of new policies and programs (not specifically included in any of the above, e.g., the ones on attending conferences and taking courses--related to training, professional development and educational opportunities)

14) Periodic computer print-outs of information on all employees

15) Periodic affirmative action progress reports

16) Annual and biannual summary reports on numbers of students and employees, by sex and ethnic origin

17) Individual complaint reports

The implementation of these requirements requires approximately 10,000 man-hours per year and $10,000 in computer costs. Five new administrative positions have been created with the associated costs in space and facilities.

A summary of the activities and costs in the processing of payroll and associated reporting is equally as complex.

1) Higher education institutions became covered under provisions of Fair Labor Standards Act on February 1, 1967. This required the collection of a positive record of hours worked and excused absences for all University employees covered--about 8,000. New procedures were implemented to compute and pay time and one-half for all hours worked in excess of 40 per week. New procedures were also initiated to inform Data Processing as to employees covered under FLSA.

2) Supplemental Retirement Annuities--new program required a new system.

3) New Pension Law--all persons who were deferring part of their salary had to be recomputed to insure that none were over 20%.

4) 1975 required notation on W-2 as to participation in qualified pension plan. Required new programming in Data Processing.

5) Federal Government survey on employment in higher education. Requires a special report from Data Processing plus the gathering of information from other reports.

6) Compliance with Federal Truth and Lending Act will require mailing in near future to each new employee an Agreement and Disclosure Statement.

The related personnel efforts are:

1) 118 hours in payroll per month
   8 hours in Data Processing per month — FLSA

2) Supplemental Retirement Annuities
   19 hours per month in payroll
   1 hour per month in Data Processing
3) On an annual basis 1 week or 40 hours in Payroll
4) 2 hours total in Data Processing
5) 4 hours per year in Payroll - 1/2 hour in Data Processing
6) Initiating, making, explaining charge required - 10 hours in Payroll
7) 4 hours per month

These efforts can be summarized as follows:

1) The addition of 1 employee
2) Additional record-keeping requiring 5 filing cabinets for storage
3) Approximately $15,000 of computer and programming expenses

Other reports and activities include:

1) Quarterly FICA reports
2) Monthly and annual Federal Wage and Withholding Reports
3) Monthly employment reports to Bureau of Labor Statistics
4) Annual W-2 forms
5) Report to Division of International Operations of those covered under tax treaties with foreign countries
6) Computation of sick leave exempt from income tax for employees
7) Certification of amounts paid for room and board required by University in performing job - applies to Resident Advisors in dormitories
8) Bond report for U.S. Treasury annually
9) Report to Data Processing of normal hours for beginning and terminating employees covered under FLSA
10) Sorting Employee Time Records in Social Security Number order
11) Telephone calls from Social Welfare as to salaries or wages paid to determine eligibility for aid
12) Completion of statements of source of funds for employee use in filing W-2 forms
13) Completion of forms for Social Security office as to wages earned during specific period

Examples of restrictions and difficulties in obtaining and reporting information can be best illustrated with some examples.

1) Restrictions or release of information in Personnel File, unless authorized by individual (Privacy Act)

2) Federal Income Tax withheld must be paid within three banking days after payday. FICA withheld plus the University contribution must be paid by 15th of each month. This restricts the opportunity the University might have for re-investing such funds.

3) Our main problem as far as communications are concerned is with the Internal Revenue Service. Some time ago (2 months) the question came up as to whether we must remit income tax withholdings within 3 or 7 working days following payday. Four different Internal Revenue employees were talked to and the result was 2 said 3 days and 2 said 7 days.

4) We also have trouble with the Scholarship, Fellowship Section of the IRS code - Section 117. The Local District Directors vary on determining taxability and sometimes render opinions which seem to us to be contrary to rulings coming from the Washington, D. C. office.

5) The University is constantly being placed in a "double bind" when trying to comply with both federal and state laws concerning employment.

   The federal Equal Employment Opportunity Commission, under affirmative action guidelines (Executive Order 11246), has encouraged institutions to provide more employment opportunities for women and minorities.

   While considering affirmative action the University is also obligated to follow the employment procedures set forth by the State Board of Regents Merit System. Employment under this system must be based on a competitive, non-discriminatory basis. Applicants are tested and referred for employment on the basis of a test score. Referrals are not made on the basis of affirmative action, if so, the University could be subject to a charge of reverse discrimination.

[ed.'s note: While the University of Iowa is fully committed to the cause of affirmative action (as well as the objectives of many other Federal regulations), it does incur for that cause significant costs, effectively mandated by Federal regulations and uncompensated by Federal resources.]

6) The following summary in the College of Dentistry relating to Affirmative Action is illustrative of the magnitude of the annual effort and costs expended.

Dental Administration has had to assign the responsibility to initiate and monitor Collegiate Affirmative Action activity in order to insure compliance with federal regulations.

-Personnel cost 50% time	$4,500	
-Computer Time (80 hours @ $25.00) .	2,000	
-Advertising, letters, postage Miscellaneous Supply Costs	1,500	
Total Costs Applicable to this Regulation		$8,000

This is only one of our 10 colleges!

[ed.'s note: It cannot automatically be assumed that all Federally mandated activities for affirmative action contribute significantly to the cause. The costs detailed for the College of Dentistry is presumably repeated in the other nine colleges.]

II. STUDENTS

A. Admissions

Federal affirmative action regulations have necessitated several revisions of application forms that relate to "discrimination". First, ethnic and sex information had to be deleted and then put back on the forms as "optional" information so that reports will reflect affirmative action.

Computer programming and print-outs on ethnic and sex distribution have been necessary. Special code handling of tape data to provide "security" of information has been created.

In addition, the University added one staff member and secretary for minority recruitment and admission counselling. The cost for these two people is $21,000 per year. 300 square feet of space was needed for these new staff members. [ed.'s note: While these costs reflect mandated activities, they are also consistent with the University's own commitment to minority recruitment.]

B. Students in Residence

1. Registrar Records

a) Veterans Administration Regulations

1) Nature of Regulations

These pertain to methods and procedures of certifying veteran student enrollment and reporting satisfactory progress, attendance and terminations, and we are responsible for monitoring all benefit recipients' enrollment programs on a daily basis. All changes which affect benefits must be reported to the V.A. on a timely basis. Further, we report enrollments and other data to HEW, NCES, OCR, etc. Most of these reports are in the form of letters of notification. Daily, we process forms for the V.A. Possibly there are twenty different kinds of forms used regularly.

To HEW:

2300-2.1	Survey of Degrees Granted
2300-2.3	Opening Fall Enrollment
2300-2.8	Residence and Migration
2300-2.9	Upper Division and Post Bac. Enrollment by Degree Field

To Office of Civil Rights:

OS-34	Compliance Report--Enrollment by Ethnic Code

2) Nature of Changes That Required Changes in University Procedures

Benefit recipients are granted benefits for breaks between sessions given certain circumstances.

Benefit recipients are required to make satisfactory progress as defined by the V.A.

Benefit recipients are required to be in regular class attendance

University is required to assume financial liability for overpayments to benefit recipients

Forms are modified to correspond with new techniques or procedural changes

Approval criteria for courses of study are revised

Approval procedures for individual courses are required

New plans and procedures for payments

New rates of payment

New rules for benefit recipients

New benefit programs or changes in old programs

New personnel (Vet reps on campus)

3) Costs

Until recently, the man-hours and materials costs have been absorbed and camouflaged by the Registrar's Office. Recently, an administrative assistant was hired to assist at a cost of $9,100. The need for this new person came largely from the great burden the V.A. places on the University. The V.A. reimburses the University for its work each year with a check for just over $3 per benefit recipient. (I estimate that the University's costs are closer to $20 per benefit recipient.) These changes have required a doubling of space and quadrupling of computer time.

4) Restrictions and Communications Difficulties

All of the V.A. regulations, policies, and procedures are restrictive so far as the University is concerned. In the last five years the trend has definitely been toward greater restriction.

Regulation and subsequent interpretation changes have been imposed by the V.A. upon the Independent Study Office, the Veterans Service Office and the recipients of benefits for study by correspondence. The V.A. State Approval Agent notified the University that benefits could no longer be awarded to those students who studied by correspondence unless the University met a long list of requirements. After considerable discussion it was decided that we could not comply. The V.A. State Approval Agent then came forward with new guidelines and after some difficulty and great expenditure of time we came forth with a complex but acceptable compliance procedure. A few months after compliance the University was notified that changes had been made and that new compliance requirements must be met. This was no easy matter and it took a number of weeks to complete. All of this confusion was generated within less than one year for only approximately 20 to 30 benefit recipients. This was by no means the only action on the V.A. front during the year. It was only one of a number of changes and adjustments required.

b) Family Education Rights and Privacy Act of 1974 (Buckley Amendment)

1) Nature of Regulations

Requires disclosure of information in student's file to the student.

Prevents disclosure of information of private nature without permission of the student.

Gives students the right to seek changes in educational records they feel are inaccurate, the right to formal hearing of complaint, etc.

2) Nature of Changes

Has caused us to modify our release of information policy, to spend hours of administrative time monitoring student's examination of his files, to write or phone authors of materials in the student file in order to determine if previously restricted data could now be released.

Has necessitated development of forms to send to outside agencies making inquiries, etc.

3) Costs

No estimate is available of man-hours and/or cost required by these new regulations. However, we have not been able to eliminate a clerical position we had planned to phase out.

c) Changes in Enrollment Requirements of HEW (NCES and OCR)

1) Nature of Regulations

Requires reporting of total enrollments, enrollment by degree category, degrees granted and enrollment, etc., by ethnic categories.

2) **Nature of Changes Necessitated by Recent Changes in Regulations**

The change for next year in the required report, "Survey of Degrees Granted" will require a breakdown by ethnic origin. Thus, there will need to be six reports instead of one. Also, there were minor changes in the definition of ethnic categories.

The "Opening Fall Enrollment" for Fall 1976 will, according to HEW-NCES, "be drastically revised and expanded if present plans are carried out." The notice indicates the usual single report will need to be prepared for each ethnic code.

The Fall 1975 "Residence and Migration of College Students" report changed the definitions for resident from that formerly used.

All three of above changes result in the necessity of revising procedures, forms and computer programs. Costs in man-hours and dollars are not available on the above as most of the work and changes remains to be done.

2. Services

a) Financial Aids

The National Defense Education Act of 1958 as amended and the Public Health Service Act as amended caused the need for a Student Loan Accounting Office. The office does the billing, collecting (deferments, cancellations, past due accounts, delinquent accounts, etc.), accounting and record keeping of all the loans given out under the programs listed below:

1) National Defense/Direct Loan Program
2) Medical Health Profession Loan Program
3) Dental Health Profession Loan Program
4) Pharmacy Health Profession Loan Program
5) Nursing Health Profession Loan Program
6) Nursing (Graduate) Health Profession Loan Program

Federal Regulation changes have taken place during the life of these programs and have caused some administrative procedure changes. These changes normally involve forms being used, annual reports, interest rates, cancellations and IRS compliance. These changes do cause data collection changes which cause added expense for computer programming.

During the existence of these programs at the University of Iowa, the office staff has increased from one clerical position to one administrative position and four clerical positions. Federal regulation changes have caused us to add at the most one clerical position. The addition of the Health Profession Student Loan Programs and growth in all the programs caused the need for the administrative position. Growth in all the programs has caused the need for the other clerical staff.

Copies of the annual reports required of this office for each of these programs have been supplied in response to this questionnaire.

Education Act of 1965 and as amended 1972 are basis for all of the Financial Aid Programs with yearly revisions or implementation of regulations as published in the Federal Register.

16 Programs of Financial Assistance include 2 in Law Enforcement, 3 in Nursing Act, 6 in Health Occupations and 5 in O.E. as follows:

Annual Applications and Fiscal Operation Reports

1) L.E.E.P. (operations report 3/year)
2) L.E.E.P. Internship
3) Nursing Loan (B.S. degree)
4) Nursing Scholarship (B.S.)
5) Nursing Loan (Graduate)
6) Dentistry Loan
7) Dentistry Scholarship
8) Pharmacy Loan
9) Pharmacy Scholarship
10) Medicine Loan
11) Medicine Scholarship
12) National Direct Student Loan
13) Supplemental Education Opportunity Grants
14) Work Study

Operations Reports only:

15) Basic Grants (3 per year plus yearly summary)
16) Federally Insured Loans (2/year)

Federal regulations concerning applications for funds, operations reports and implementation of rules and regulations change almost yearly. The changes in application and reporting procedures require re-programming of our data-collection and result in added costs in both personnel and data processing.

Accountability for proper disbursement of federal aid requires a constant monitoring of loans, grants, scholarship and employment of every student who has any form or amount of federal aid.

The creation of data-based programs, print-outs and data processing costs increase the administrative cost yearly.

Because all of the programs are based on financial need and require documentation of family and/or student finances, our methods, procedures and compliance with regulations are essentially the same for all programs. A specific program such as Work/Study and its attendant regulations requires a full-time administrator and one and one-half clerical persons. Five years ago the program was handled by a 1/2 time graduate assistant and a 1/2 time clerical person. The Federally Insured Loan Program has grown so much in the last three years that we now have a full-time administrator and one full-time clerical person for that program. Three years ago we used a 1/2 time clerical and 10% administrator's time. The Basic Grant Program growth in 3 years' time now requires 1-1/2 persons to administer the program.

The dollar amounts are not easy to come by in the cost of Student Financial Aid as the Business Office absorbs our data processing charges in their budget.

Additional staff salaries are not totally attributed to Federal Regulations but at least 90 + %.

Our salaries budget reflects direct cost:

1967	-	$ 50,094
1968	-	55,715
1970	-	70,112
1971	-	101,000
1973	-	131,223
1975	-	155,905

Not all increase is due to new people because of salary increases each year, yet it does reflect total cost of needed staff.

General expense account reflects some growth from about $3,500 in 1967 to $30,000 in 1975.

Summary of Staff Growth in the Financial Aids Office 1967-75

1967 - 2 Administrators
3 Clerical

1968 - 2 Administrators
4 Clerical
2 Grad. Ass't

1969 - Same as '68

1970 - 3 Administrators
4 Clerical
3 Grad. Ass't
2 Student hourly

1971 - 4 Administrators
4 Clerical
4 Grad. Ass't
3 Student hourly

1972 - Same as '71

1973 - 5 Administrators
Same Clerical, Grad. Ass't & Student hourly

1974-75 6 Administrators
5 Clerical
5 Grad. Ass't
6 Student hourly

1976-77 will add: 1 Administrative
2 Clerical
4 Grad. Ass't

[ed.'s note: In part, these costs reflect growth in student-aid programs, as well as the University of Iowa's own commitment to insuring that students receive quality counseling in financial assistance. These costs also reflect in significant measure, however, the frequent changes in reporting requirements for student assistance programs.]

b. Placement--The following is a summary of activities and costs in the Placement Office:

1) Mail Equal Opportunity Employment letters annually to all employers who have used the placement services. Send letter to new employers throughout the year as each contacts office the first time. Since September, 1975, have mailed 1,135 letters. Average 2-3 new employers per week throughout the year.

   Cost:

   Personnel Time - Initial mailing about 30 hours @ $3.70 per hour and 10 hours @ $3.06 per hour - about $145 - (type letter once and copies made at Copy Center; type envelopes for mailing; notation made in company folder)

   Copy Center - 1¢ per copy

   Postage - 10¢ each (most mailed in September)

   Envelopes - 1200-1300

2) Cost of developing and using waiver forms for faculty and employer references (Privacy Act)

   a) Professional time (director) obtaining and briefing on federal legislation and guidelines.

   b) Professional time (director) at numerous meetings re interpretation and application of guidelines.

   c) Time developing acceptable waiver form.

   d) Cost of printing same.

   e) Cost in time and energy explaining reason for waiver; returning those incorrectly completed; returning to obtain required signatures (often involves postage costs).

3) Cost of changing all forms to comply with equal employment and privacy legislation.

   a) revised reference forms with waiver attached

   b) revised all personal data sheets for job placement files

   c) revised Kardex form

   d) developed and printed "release statement"

   e) total cost at Printing Services approximately $300 first printing.

4) Cost in clerical time (and sometimes professional time) necessary to explain new regulations and to implement guidelines - difficult to estimate!

Procedure:

a) Approximately 1,800 sets of placement registration forms are handed out annually. Each requires explanation of regulations; reason for "release statement"; how regulations effect handling of individuals' files.

b) Approximately 1,200 return completed registration forms at which time each receives from 2-4 "reference" forms with attached waiver form. All have to have the "waiver form" explained to them: what it is; why it is; how it works; how to complete it.

c) Placement registration forms are put in files; great care has to be taken that each file is marked in accordance with student's "release statement" requirements to ensure proper handling of the file in relation to its use by "3rd parties" (employers).

d) Each reference that is sent to us by faculty and/or employers (some 3,000-4,000 each year) must be checked carefully for "discriminatory" content and stamped "open" or "confidential" according to signed waiver form and then filed. (Many come back to us without signatures or any indication on the waiver form as to the "open" or "closed" status of same. Requires telephoning or mail contacts and loss of time.)

5) Staff time required to accommodate requests by students to review "open" references. Approximately 161 students have requested to see open references since January, 1975.

6) Time required to review job information data to check on possible discriminatory requirements.

7) Regulations prohibiting discriminatory practices in working with employers. Cannot identify minority or females.

8) Restrictions and communications problems

"Our ability to send credentials to a bonafide employer on behalf of a candidate has been restricted unless we have the candidate's permission.

There is a definite communications problem with both employers and candidates since this law was passed with so little notice, and we must take a great deal of time and effort to explain it to all concerned. This is further complicated by the fact that the regulations have been so late that all we can do is give our "best guess" as to what is appropriate procedure. Since public relations are such an important part of our operation, we have had to take special pains to see that people understood that our actions were not just independent "bureaucratic" decisions. In my sixteen years with this office, I have never encountered a more time-consuming, expensive or frustrating federal law. It has taken valuable time that I should have been spending helping our candidates find positions. While I am not necessarily in disagreement with its intent, its abrupt passage and lack of clarity have caused great difficulty to this office, to employers, and, most importantly, to the candidates themselves."

c) Foreign Student Advisory Office

The work of the Foreign Student Advisors is greatly affected by government regulations since a large proportion of our work involves helping foreign students and professionals stay in status with the Immigration and Naturalization Service (INS). Our work has two aspects. The first is the fulfillment of *our* responsibilities as a school authorized by the INS to admit foreign students and as an institution authorized by the Department of State to conduct an Exchange-Visitor Program. The second is the dissemination of information to foreign students and professionals so that they can meet *their* obligations to these agencies and others.

To fulfill our responsibilities, we do the following things:

1) Foreign Students

a. Issue Form I-20 for:
   - i) Initial admission (which requires us to determine that prospective students have satisfied the financial requirement).
   - ii) Trips outside the U.S.
   - iii) Bringing student's dependents to the U.S.

b. Assist students in the preparation of the form for requesting extension of stay (requiring our verification of the fact that they have maintained full-time student status).

c. Notify the INS when students are no longer maintaining full-time status.

d. Assist students in applying to the INS for permission to work off-campus during the academic year and (since the change in INS regulations two years ago) for summer work permission (which requires us to verify that they do in fact have financial need, before we can endorse their application).

e. **Assist students in applying to the INS for practical training employment permission after graduation.**

2) Exchange-Visitors (may be students or University staff)

a. Prepare Form DSP-66 for:
   i) Initial attendance.
   ii) Extensions of stay.
   iii) Bringing exchange-visitor's dependents to the U.S.

b. Notify the INS of the exchange-visitor's departure from the University.

3) Other Visa Categories

a. Assist academic department in the preparation of H visa petitions for prospective or continuing staff members.

b. Assist individuals and departments in applying for adjustment of status (changing visa status to that of a permanent resident). This involves:
   i) Obtaining labor certification from the Department of Labor.
   ii) Submitting the visa petition to the INS.

In our role of providing information so that the aliens at the University can meet their obligations, we do the following things:

1) Immigration

a. Publish the Handbook for Foreign Students and Professionals, which is distributed to all new students and professionals when they arrive here.

b. Publish the Foreign Student Newsletter, which is sent to all foreign students and professionals, as well as to other interested people at the University, several times during the academic year.

2) Taxes

a. Provide information about obtaining a Certificate of Compliance (tax clearance) from the Internal Revenue Service, for aliens departing the U.S.

b. Provide information about tax treaties between the U.S. and other countries.

Additional (non-required) services which we provide for the convenience of foreign students and professionals:

1) Provide the forms for the annual Alien Address Report each January.

2) Provide the forms for applying for a Social Security number (which requires us to provide the Social Security Administration with passport information on an additional form).

For the two Foreign Student Advisors, about 30% of each person's time is taken up with immigration and related matters. About 75% of their secretary's time is taken up with immigration and related matters.

3. Athletics

The Athletic Department charters aircraft for all football trips and considerable time is spent being certain that we are not violating government regulations in making up the passenger list for these trips.

From a financial standpoint, we could sell a few seats on these charters thereby reducing the cost of transportation for our football team, but federal regulations do not permit it.

Specific example:

Chartering airplane to NCAA Wrestling Tournament 3/9-14/76

The purpose of chartering the airplane was to reduce as far as possible the cost of transporting our wrestling team to the national tournament.

The Athletic Department chartered a United Airline 96-passenger jet with the intention of transporting our wrestling team and fans to Tucson, Arizona for the National Wrestling Tournament. This involved hotel rooms and chartered buses as well as tickets to the meets.

We found that government regulations permitted us to sell this package tour to members of an organization only, which sharply reduced our possibilities of filling the airplane.

We then decided that we would place the whole trip in the hands of a local travel agency which would be permitted to sell the package to any interested person. This was an improvement over the Athletic Department's sponsoring the trip, but regulations still forced us to restrict the sale to individuals until after CAB approved it. Then, the passenger list had to be in the CAB offices in Washington, D. C., three weeks before the trip was to depart, and we were not permitted to sell additional seats after that date.

We also were not permitted to substitute persons in the event there was a cancellation, nor were we permitted to refund to persons who were forced to cancel reservations for any reason.

The net result of all these regulations was that we were not permitted to sell the package tour after the Big Ten Wrestling Meet was won, which was the ideal time to fill the airplane. As a matter of fact, we turned down enough passengers to have filled the plane. The chartered plane went to Tucson with fifteen empty seats, both directions. Had we been able to sell those seats, we could have cut the cost of sending our team to the NCAA finals by approximately 50%.

The man-hours of reorganizing the trip through the travel agency were not great but the cost to the Athletic Department and the University, because we were not permitted to sell the additional seats, was approximately $2,000.

Of more major impact is the reorganization and planning that is required to meet the requirements of Executive Order 11246. Hundreds of meeting hours have been necessitated by these new regulations. It is not possible to put a cost figure on this matter at the present time.

III. SPONSORED RESEARCH AND TRAINING

Research is an integral part of a University's responsibility. Much of the research is supported by the federal government. Interaction with a variety of different federal and state agencies occurs, and there is little consistency in the regulations of each of the categorical programs. In order to illustrate some of the impact of regulations, this presentation is organized into three basic sections: 1) Program Administration, primarily the application and technical reporting functions, 2) Financial Management and 3) Constraints. Each of these areas has impact both on the individual researcher and on the overall University operations.

A. Administration - Comments from investigators

1. "I am annoyed by the need to send up to six (sometimes 25) copies of grant proposals to Washington. This overworks our Xerox facilities and costs much money in copy time and later in having to mail this great bulk to Washington. Why not a policy to send one copy? Let the 'Fed' copy them. My experiences in Washington revealed better copy facilities and more available man-hours there than we have."

2. "Federal pressures force peer review within the Department of Surgery. I am on that committee. Estimated time spent is 3-5 hours monthly."

3. "Each Health Manpower federal grant or contract requires the submission of work plans on an annual basis. This is in addition to detailed objectives that were outlined in approved proposals. The work plans are intended for industrial use and are inappropriate for curricular development projects such as these. This is a requirement of the regional office only. It is estimated that each work plan in our area requires 10 man-hours to complete. (Editor's Note - See also 3c.)

   Five (5) grants per year require submission of work plans. Each plan takes approximately 10 man-hours to complete. Using a rate of $10/hour the following cost is estimated:

   5 grants @ 10 hours = 50 hours
   each $10 . . . . $500

   a) 'Work plan' 4 quarterly reports on its status - need for which was not stated in original grant information. It was superimposed, as I understand it, as a unique HEW PHS Region VII requirement.

   b) The annual work plan is one aspect of the yearly reports required of the TEAM faculty that has proved excessively time consuming. Due to the amorphous quality of the guidelines, the report required two submissions with all the usual work associated with such activities and numerous phone calls to satisfactorily meet the "format" this past fiscal year. In addition, a progress report with an accompanying expenditure summary is required annually. The on-campus site visit also occurs annually and requires the preparation of a complete manual of activities of the TEAM faculty and staff. Many of these reports are redundant in nature.

c) We have two federally funded grants requiring reports:

1) Training Grant: Requires annual work plan and continuation report; however, this year a detailed financial report was also required. It should be remembered that the work plan had to be resubmitted as the first plan did not meet their standards.

2) Special Projects Grant: Requires annual work plan and continuation report. In the future, by 1977, according to HEW Project Officer, we will be required to submit quarterly reports on accomplishment of objectives of work plan. This is similar to the present requirement for the Preceptorship Grant. (Copies of work plans and financial reports from 1975-76 are included.)

The time requirement for these work plans and financial reports is most important. Each requires approximately 100 hours of time from combined efforts of faculty, administrative staff and clerical staff. Due to quantification required to substantiate accomplishment of objectives of work plans, additional time must also be spent keeping records on activities to use in reporting accomplishments."

4. "We must submit a copy of all pre-prints and reprints that we generate to NASA headquarters. Twice a year, we send them a collection of abstracts of our published work (sample attached). When we submit our annual renewal proposal, we summarized briefly the previous year's work and the anticipated work for the year ahead. These are not onerous requirements, and I think they are quite reasonable."

5. "Annual communication with state and federal agencies, in order to maintain certificate for 'controlled substances,' and special procedures to purchase 'controlled substances' are time consuming."

6. "A number of agencies have added requirements for cost evaluations that are requiring excessive record keeping by function, not expense. These cannot be reconciled with accounting, and seem not to improve the quality of the program. They drain effort that should be devoted to the program."

7. "Federal regulations have not yet restricted my activity but cumbersome regulations have made performance more difficult."

8. "We have been appalled with the time and effort that is involved in getting proposals ready to submit. Everyone seems to have a different view of what 'they' want. At times we have revised materials in three different ways to satisfy another 'layer' in the approval maze."

9. "Recently we have encountered great difficulty in getting information--presumably from the new computerized system--that would permit us to evaluate program effectiveness. We have spent three months attempting to get clearance for studying our own graduates, students who dropped from a program, etc. We have had difficulty being permitted to locate students to get their permission to be contacted concerning their perceptions of the values or lack of values involved with participating in a given program." (Privacy Act)

10. "The clinical pathology laboratory must be inspected annually and a license issued by the Federal agency if we are to accept diagnostic specimens from outside the State of Iowa. Application must be made annually and personnel reports must be filed at least once each year. We cannot accept more than 100 specimens for pathologic examination from out of state unless we have a license issued by the federal government. We must keep laboratory logs and equipment maintenance reports to obtain approval for licensure."

11. "My special gripe as a taxpayer is that for foreign travel I'm required to use U.S. carriers, thereby very substantially increasing costs and decreasing the amount of foreign travel possible."

12. "We are required to submit quarterly reports on most DOD projects, and annual reports on Department of Interior projects. All projects require, of course, a final report. I enclose herewith copies of recent quarterly ONR and annual Department of Interior reports.

"I do not consider the reporting requirements of most of the federal agencies we deal with to be excessive. Maybe I have been enmeshed in the sponsored research business so long that I have come to accept the reporting requirements as an inevitable part of this kind of activity. I feel that the research administrators in the government are entitled to a full accounting of the progress that is being made on the projects they oversee, and that conscientious investigators do not object to preparing these progress reports. I also find that preparation of periodic progress reports tends to enhance the progress of the project. Deadlines and accountings play an invaluable role in most human activities. It would be very helpful to us if the DOD (specifically, the Office of Naval Research and the Naval Ship Research and Development Center) would give grants for periods longer than one year. Necessity of preparing annual proposals is something of a burden."

13. "I have omitted the more common federal regulations which the University responds to on an institutional basis and have mentioned only those which I feel are unique to this Department with its large number of NASA contracts.

    a) The following new procedures were instituted in the past 5 years:

        1) Reliability and Quality Assurance Provisions of the National Aeronautics and Space Administration Procurement Regulations (re: NASA PR 1.5100)

        2) Project cost accounting and manpower computer programs for more timely methods of reporting estimated project costs (NASA PR, Section 15; NASA PR 7.104-53).

        3) Airport security in compliance with F.A.A. regulations.

    b) 1) Due to additional reliability and quality assurance program requirements the Department of Physics and Astronomy found it necessary to hire a Reliability & Quality Assurance Engineer (Engineer III, PN0310). These requirements have caused us to change our internal purchasing procedures to assure that we are complying with the quality assurance standards. Specifically, we have included the R&QA Engineer in the approval stream for all flight qualified components and materials. We also provide documentation to the in-house Office of Naval Research Engineering Support Office (NASA-delegated quality assurance and quality control representatives); they must review and receive copies of all requisitions for flight-qualified components and materials to determine if government source inspection (GSI) is required and receive copies of all shipping documents on which GSI has been required. The major effects of the R&QA changes have been additional reports, documentation, higher prices, and time delays.

        2) Recent NASA and JPL contracts have required extensive cost reporting on a timely and multilevel basis, integrated with schedule reporting. To implement

this degree of visibility it was necessary to write computer programs which provide both costs and man-hours and are capable of providing estimated costs on an up-to-date basis. This reporting has been necessary on four major research projects and is not used unless required by NASA or JPL. JPL has additionally required a monthly financial narrative report to accompany the cost reports.

3) Many delicate and sensitive scientific instruments are hand-carried to and from various NASA installations by University personnel during the performance of a NASA hardware contract. Carrying these instruments through air terminals without being contaminated by magnetic devices or some other external pollution is difficult. We now contact airport security personnel by letter and telephone if necessary, and provide letters to personnel hand-carrying the instruments.

c) Costs

Approximately 200 man-hours for recruiting and hiring an R&QA Engineer. Purchase of bonded-storage cabinets, $1,000.

Recruitment and hiring of an Accountant I to assist in the project cost accounting and implementation of computer program analysis.

d) These activities occur on a recurring basis.

1) Formal subcontracting procedures under NASA Contracts in accordance with the NASA Procurement Regulations.

2) Property approval and reporting procedures under DOD and NASA.

3) Compliance with regulations for radiation protection and OSHA.

4) Obtain authorization and renew a Federal Communications Commission license every three years for operation of the transmitters at the North Liberty Radio Observatory (NLRO); also, a second license is obtained from the FCC for operations of the microwave link between NLRO and the Physics Building. One employee must also obtain an operator's license for the transmitters.

5) Equipment must be calibrated to meet requirements traceable to the National Bureau of Standards under the quality assurance provisions of the NASA Procurement Regulations.

e) The following reports are required:

1) Contract Pricing Proposal, DD Form 633-4/-5
2) Report of Inventions and Subcontracts, DD Form 882
3) Report on NASA Subcontracts, NASA Form 667
4) Contractor Deviation/Waiver Request, ARC 546
5) Material Inspection and Receiving Report, DD Form 250
6) Shipper's Export Declaration, Dept. of Commerce Form no. 7525-V
7) Foreign Travel Request and Approval, NAVSO 4650/20
8) Financial Management Report, NASA Form 533M/533P/533Q
9) Equipment Request Form, ONR
10) DOD Industrial Plant Equipment Requisition, DD Form 1419
11) Requisition and Invoice Shipping Document, DD Form 1149
12) DOD Property Record, DD Form 1342
13) Analysis of Government-Owned/Contractor-Held Property Other Than Space Hardware, NASA Form 1018
14) Various technical reports including:
    i) Monthly Progress Reports
    ii) Quarterly Technical Progress Report
    iii) Experiment Requirements Document
    iv) Data Submission Plan
    v) GSFC Malfunction Report"

B. Management - from the General University view

1. Rebudgeting of funds within NIH grants

a) Background - About 1968 NIH gave grantee institutions authority to approve rebudgeting of funds between certain cost categories of a grant when it became necessary to depart from the budget agreed upon at the time of award. It is necessary to initiate a request for rebudgeting of grant funds and receive subsequent approval of the request prior to the changing plan to expend funds.

b) Procedures Established - The control established calls for the Purchasing Department to forward to the University Business Office all requisitions for items of equipment to be purchased on grant accounts. The Supervisor-Grant Accounting or the accountant assigned responsibility for the grant in question determines if the item(s) requisitioned are in the approved grant budget or where necessary have received "Prior Approval". If approval has been obtained, the requisition is initialed and returned to Purchasing where the order is processed.

The control established to handle this requirement imposed by the Government requires approximately 100 man-hours per year. The cost of the change is difficult to gauge since the implementation of the control involved a reallocation of time among existing staff.

2. Cost Transfers

   a) Grantee institutions, in accepting federal grants, assume a responsibility to determine that costs allocated to federal grants are in compliance with federal regulations and University policies. Where costs are charged initially to one source of funds and subsequently transferred to a federal grant, extensive documentation must be provided which will explain why the charge was not initially made to the grant and why the charge is relevant to the objectives of the grant.

   b) A procedure was established whereby all change vouchers involving cost transfers between federal grants or into federal grants from other accounts provide written explanations of the necessity for the transfer.

   c) The review of change vouchers and requests for transfers of costs require 300 to 400 man-hours per year by the Grant Accounting staff. The cost of the evermore extensive documentation now required will mean almost a doubling of administration effort at department, dean levels and Business Office. This federal requirement is imposed even though the transfers are for direct costs already approved by the granting agency.

3. Summary Report of Expenditures on Grants and Other Programs Funded Through the DFAFS (Department of Health, Education and Welfare Federal Assistance Financing System)

   a) Background - For approximately ten years the University has been required periodically to report expenditures on grants and other programs under which the University has drawn funds to meet its cash requirements for federally sponsored programs. It was necessary to reconcile the cash balance computed on the summary report to our actual book cash balance. In order to expedite this reporting, the University initiated a computer program designed to accumulate expenditure data on all grants in the federal area. Over the years the numbers and the types of grants funded through the DHEW Letter of Credit and its successor --DFAS--have made this computer program obsolete.

b) Current Procedure - The quarterly reporting of expenditures and reconciling of cash balances is a manual process which has been made more difficult because DFAFS has not yet worked out the problems in their program. The source of information used to complete the report (Five Column Summary of Accounts) does not relate the expenditure information directly to federal grant numbers, so the time required to gather the expenditure data and to reconcile the cash balances is increased significantly.

c) Costs - Reversion to a manual process has required that I spend about an additional 100 man-hours per year. No added costs are involved.

4. Cost Sharing and Effort Reporting

a) Background - Federal regulations require that grantee institutions share in the total cost of a federally sponsored project except those specifically exempted. Acceptable approaches to cost sharing include institutional agreements or project-by-project cost sharing. In either case, institutions must be able to document agreed-upon levels of cost sharing in their records.

Federal regulations also require that grantee institutions support salary charges to grants for academic and professional employees by workload distribution reports and for non-professional employees by time and attendance records.

b) Procedures Established - The University initiated a computer program which provided a breakdown of all sources of salary within a department for each academic and professional employee and also provided cost sharing data on grants requiring cost sharing in the area of contributed time. This was run on a monthly basis and certified to after-the-fact by a person or persons in a position to know if the information being reported was correct. In their most recent systems audit, the auditors have questioned this program as not really accomplishing what it was intended to do. They have requested a more extensive system.

c) Costs - Initiation of a computer program and the costs of programming and running it monthly probably cost about $5,000. In addition, the input and monitoring of the program involved approximately 100 man-hours per year for the grant accounting staff.

5. Financial Management Summary for Sponsored Programs

a) Background - In the past there has been a need, as indicated by principal investigators and administrative staff throughout the University, to have fiscal information on grants by budget category. In addition, the monthly statements of account did not accumulate expenditures throughout the entire grant period when it was not consistent with the University fiscal year. Audit Agency recommended that the University establish a "Budgetary control over line item expenditures, possibly through including line item limitations on the monthly statements of account." The University concurred with the audit recommendation and indicated it would initiate such a control.

b) Control Established - The University Business Office developed a program called the Financial Management Summary for Sponsored Programs. This program provides a monthly and cumulative summary of expenditures by budget category. In addition the Business Office receives a supplementary report indicating when cost limitations have been exceeded on restricted budget categories.

c) Costs - Approximately 500 man-hours were expended by the Business Office staff in developing the system for this program and another 400 man-hours per year in the input of information, review of program exceptions and program revisions. The cost of the initial programming was approximately $3,500 and the cost of running the program monthly over its three and a half year existence at $3,000 to $4,000 per year.

6. Federal Forms Required from Business Office on HEW-NIH, OE, SRS grants

a) DFAFS Quarterly Recipient Report of Expenditures (not included)

b) Reports for Research Grant Expenditures
   1) HEW-489
   2) NIH-147-2

c) Reports for Training Grant Expenditures
   1) NIH-1741
   2) HRA-21
   3) CB-27

d) U.S. Office of Education & Social and Rehabilitation Service, Report Form for all Their Grants
   HEW-601T

e) Reports on Fellowship Programs
   1) PHS 416-8
   2) OE Form 7203

f) Contract Billing & Financial Reporting Forms
   1) SF 1034 & 1034A or U of I substitution
   2) HEW 515-4

g) Miscellaneous Forms
   1) OE Form 5140
   2) OE Form 5248
   3) Form for Reporting Non-Expendable Property Acquired Under a Cost Reimbursable Contract
   4) Contractors Release Form
   5) Contractors Assignment of Refunds, Rebates and Credits
   6) Contractors Statement of Cumulative Costs Incurred Under Contract

As a result of the periodic systems reviews conducted by the Federal Auditors, a procedure is now being developed to document the actual effort expended on a given grant and relate it with the direct labor charges made against the award. In addition, this system will correlate the effort and expense incurred by the University of Iowa in meeting specific grant cost-sharing requirements. This monthly after-the-fact payroll certification is to satisfy the requirements of Federal Management Circular (FMC 73-8). $18,000 has already been spent in developing that system and it is not yet complete. This system is being imposed even though another federal agency has told us we have an adequate payroll system already and that everyone knows that universities contribute far more costs to projects than that required by Congress.

7. Additional areas in the Department of Defense, ERDA and NASA

Grants that have, within the last four years, proved to ever increasingly require closer review in order to comply with the propriety of Federal Grant regulations as well as to determine whether the corresponding grant officer (or his authorized representative) has rendered his prior written approval would be:

a) Employment of consultants, whether outside of the University or across University Departmental lines,

b) Letting of certain types of subcontracts,

c) Equipment purchases,

d) Certain types of "Compensatory Hardship Premiums" paid to qualified University Personnel while on extended trips away from home, and

e) For various other non-budgeted expenses that may be necessitated in the performance of the grant or contract.

In addition, increasing emphasis is being placed on these three agencies in such areas as:

a) Indirect cost allocations,

b) Trip reports and results obtained,

c) Scrutinizing publications generated by the grants and professional talks rendered on research oriented matters,

d) Inventory control and accountability for government-owned equipment and supplies,

e) Review of the content and format of grant status reports - both technical and fiscal,

f) Timely submission of patent reports, and

g) Review of security precautions taken for confidential information as generated.

NASA, ERDA, and DOD Grant & Contract Reports

a) DD Form 882 - Report of Inventions and Subcontracts

b) Contractor's (Grantee's) Cumulative Claim and Reconciliation Statement

c) Contractor's (Grantee's) Release

d) Contractor's Assignment of Refunds, Rebates, and Credits

e) Grant Fiscal Report (Form 70-5) - Army Grants only

f) Quarterly Reports of Permanent Equipment Acquired under contract with unit costs of less than $1,000

g) Equipment Acquisition Request Form

h) Form DD 1419 - DOD Industrial Plant Equipment Requisition Form

i) DD Form 1473 - Report Documentation Page

j) DD Form 250 - Material Inspection and Receiving Report

k) Document Control Data RID (Security Classification Designation Form)

l) Navy Fiscal Reports

m) Form DD 1662 - Financial Report of Government (DOD only) Property

n) Form 1342 - DOD Property Record

o) Form DD 1149 - Requisition and Invoice/Shipping Document

p) Navy - Triannual Inventory Report

q) Form 533 (P)(M)(Q) - Financial Management Reports

r) NASA Form 1031 - Grantee Quarterly Cash Requirement Report

s) Form 1034 7GAO 5000 - Public Voucher for Purchases and Services other than personal

t) NASA Form 1018 - Report of Government-owned/Contractor-held Property

u) NAVSO 4650/20 - Foreign Travel Request and Approval Form

v) DD Form 1597 - Contract Close-out Check List

w) DD Form 1593 - Contract Administration Completion Report

x) DD Form 633-4 - Contract Pricing Proposal (DOD)

y) DD Form 1564 - Pre-Award Patent Rights Documentation Report

z) NAVSO 5870/35 - Record and Disclosure of Invention Report

aa) DD Form 783 - Royalty Report

Communication difficulties and administrative problems with regard to federal regulations have generated problems in efforts to comply because of:

a) the complex nature and scope of such regulations.

b) the tendency of different federal regulatory branches and departments to render differing interpretation to similar guidelines (i.e., Federal Grant administrators as a whole tend to be more conciliatory towards problems that arise than Federal Auditors).

c) the degree of difficulty on occasion in being able to reach a person who is willing or qualified to be really lucid on a specific situation that has arisen. The approach that Mr. ____________ is involved in that area, however, he's tied up right now, but I'll have him get in touch with you, with the end result that no one replies is especially exasperating and time-consuming.

d) the tendency of some federal employees to put off resolving problems involved in getting a contract closed and in rendering the final payment in a timely and orderly fashion. This is sometimes due to the fact that the proper interpretation to the situation involved cannot effectively be rendered until litigation in a given area is resolved.

e) Oftentimes, however, a contract is closed, audited, and no final check will be received nor will any explanation for the delay be offered by the funding agency until we take the initiative from our end to inquire as to the reason involved.

8. There is also a tendency to readily change the format required in preparing budgets and accounting for expenditures, especially in the area of Maternal and Child Health formula grants such as the State Services for Crippled Children Program. In the past six years since I have been associated with the SSCC Agency, the format of such reports has invariably been changed every year. This has frequently necessitated keeping additional manual ledgers in order to comply, as well as restructuring the nature of the information rendered by the automated fiscal accounting reports (i.e. adding, deleting, and/or changing the nature of accounts, as well as keeping track of various types of expenditures by means of changes in expense class code suffix categories). This entails considerable effort, not only in implementing but also in maintaining fiscal system control in this regard. Various structural reorganizations within HEW with regard to the Maternal and Child Health program have contributed to the frequency of the above problem.

Maternal and Child Health Program Reports

a) Form PHS 5154 - Financial Status Report

b) Form HEW-489 - Report of Research Grant Expenditures

c) Form PHS 5153-2 - State Health Plan Budget

d) Forms HEW-602T & 603T - Report of Federal Cash Transactions

e) Form HSM-526 - Maternal and Child Health and Crippled Children's Services Research Grant Budgetary Form

f) Form TUS 5401 - Payment Voucher on Letter of Credit

9. Changing Regulations - NIH explains in their booklet titled Grants Policy Statement what they expect principal investigators and grant administrators to do regarding changes. The following is taken from the introduction on pages 1 and 2 of the booklet. "To use this booklet effectively, grantee institutions are encouraged to maintain, or have access to, copies of the referenced documents with additional detailed guidance on the subject policy. In addition, as with any publication, the policies in this booklet are subject to amendment by policies adopted subsequent to the above date. Consequently, grantee institutions are obligated to assure themselves that they become aware of any new amendments as soon as they are issued and announced to the public. This can best be done by arranging to obtain, or to have access to, the following documents:

Code of Federal Regulations (Title 42 & 45)
Federal Register
DHEW Grants Administration Manual
PHS Supplementations to the DHEW Grants Administration Manual"

"In the event there are conflicting or otherwise inconsistent policies applicable to PHS grants, the following order of precedence shall prevail:

1. Federal Legislation
2. Federal Regulations
3. DHEW Grants Administration Manual with corresponding PHS Supplementations, issued subsequent to April 1, 1974.
4. Policies issued in this booklet
5. Policies issued prior to April 1, 1974"

In other words, beyond complying with Federal regulations there exists still another problem, that of becoming aware of changes when they occur.

10. The Intergovernmental Cooperation Act that was implemented by Office of Management and Budget A-95 regulations has meant that a number of University programs must now go through a local and state planning clearinghouse for review prior to being submitted to the federal government.

In addition, the HEW Public Health Service has also required that Special Project applications go to local Health Planning A and B agencies for review.

Much confusion is generated concerning this requirement and professional staff time is frequently needed to coordinate between the faculty member, the state, the regional, the federal, and sometimes local planning agency.

It is estimated that the professional time - 36 hours a year plus xerox and mailing costs - add approximately $1,000 to University expenses each year.

C. Constraints

1. Human Subjects

a) University Perspective

A series of time-consuming changes in administrative procedures has been required to assure compliance with NIH(DHEW) regulations concerned with the use of human subjects in research. Effective July 1, 1974, it was ruled that notification must be submitted to awarding agencies within 30 days after the filing deadline of any NIH grant application. This necessitated the establishment of a monitoring system in our office to assure that the principal investigator had contacted the appropriate University review committee and that the committee would meet in time to review his application. In addition, it required action in our office to assure that the committee's report was received and forwarded to the appropriate Federal agency on time. The penalty for failure to do so is invalidation of the application.

This regulation proved too stringent to control for both the applicant and awarding agency and was changed one year later, extending the filing time from 30 to 90 days after the application deadline. However, the University review committee was also required to provide much more information to NIH than before. Previously it was only required to indicate that if human subjects were involved, DHEW regulations would be observed. Now, many other related areas of subject matter must be reviewed and approved. It is necessary to differentiate between kind of subjects which include minors, fetuses, abortuses, pregnant women, prisoners, mentally retarded or mentally disabled. Further, the review committee must determine and report whether or not the human subjects involved will be exposed to any risk. Furthermore, a greatly increased and time consuming responsibility is placed on this office to insure that all changes in regulations are implemented and the resulting obligations are satisfied.

It is estimated that a minimum of 40 man-hours were required to reorganize administrative procedures to reflect the most recent change in categorization.

Approximately 22 man-hours, 14 professional and 8 clerical, are spent each week monitoring and reporting information required to satisfy human subject regulations.

One of the difficulties resulting from the new regulation is the determination of which bureau within NIH has been assigned cognizance of a given application so that the human subject review document can be properly addressed. Consequently, it is necessary to monitor the notice of acceptance from NIH and identify the bureau before mailing the assurance. Actually, this amounts to the transfer of a duty previously performed by NIH, but is a requirement resulting from the regulation.

Three professional staff in The Research Administrative Services office serve from time to time in an ex-officio capacity on Human Subjects Review Committees A, B, C and D. In addition, we provide the secretary to take minutes and monitor the files for Committee C.

b) Committee Perspectives

1) Committee A - College of Medicine, College of Pharmacy, and Clinical Nursing
EFFORT REPORT COMMITTEE A

Established Requirements

In November, 1974, I projected the activities of Committee A as requiring 1,622 man-hours per year. Now, in 1976, I would revise that estimate upward 33 percent as follows:

Activity	Time 1974	Time 1975
Meetings - 30/year x 2 hours/meeting x 6 persons	360	360
Review of Material - 250 applications x 0.2 hr/application x 6 persons	300	300
Investigator Interviews - 250 x 0.25 hr/application	62	62
Chairman - 50 weeks x 6 hrs/week	100	300
Secretary - one half time	800	800
Surveillance or Re-review ongoing projects 50 weeks x 0.1 hr/application x 9 persons		45
TOTAL	1622	1867

An additional burden has been levied upon the Committee and the Faculty through the activities of the review process conducted by the Institute of Social Research of the University of Michigan at the request of the federal government. To date, I estimate that this project has required the following effort:

Activity	Time man-hours
Review of Committee Files to provide Data Base	50
Phase I Investigator Interview	80
Phase II Investigator Interview	100
TOTAL	230

Additional time will be required on the part of the Faculty responding to the ISR Study which could be as much as 50 man-hours.

2) Committee B - All College of Dentistry

Federal regulations require the review of research investigations involving human subjects by a committee of qualified people. The College of Dentistry has eight faculty members on Committee B.

All Federal grants involving human subjects require review of this committee. This Committee averages approximately two (2) hours/month for the eight (8) faculty members. Figured at a cost of $10/man-hour the following costs are estimated:

-8 faculty @ 2 hrs/mo = 192 hrs/yr each $10	$ 900
-Secretary time, copying costs, misc., supply costs	400
Total Costs Applicable to this regulation	$2,320

3) Committee C - All other Federally Supported Research

-9 members @ 1-1/2 - 2 hrs/wk	13 - 18 hrs/wk
-Chairman 4 hrs/wk	4 hrs/wk
-Secretary 4 hrs/wk	4 hrs/wk
TOTAL COMMITTED TIME	20 - 26 hrs/wk

4) Committee D - anything not in the three categories above

10 members
1 Chairman
2 Ex-Officio

This committee does not handle proposals involving federal funds, but was created in response to federal request.

c) Investigator Comments

"For each new grant application, I submit to the 'Medicine Review Committee A' a proposal such as the one attached. This proposal now includes the verbatim description of the 'Methods of Procedure' that is to go into the grant application. In addition, the 'Protection of Human Subjects Certification' signed by an institutional official must accompany the application. Our project on use of human subjects must be approved annually."

"The regulations regarding the use of human subjects obviously constrain research in the sense that some projects that could be conducted involve excessive risk to subjects. However, in my personal work I can't see any changes except the additional paperwork."

"Ability to carry out research in fetal medicine. Restrictions as to the utilization of fetal tissues."

"All research projects involving humans are subject to either Committee C or D review. Until now D has been inactive and none of my research has been federally funded, so I've been affected by these requirements very little. However, in a grant application to HEW which is about to be filed, and in all of the research projects conducted by students in my classes (all unfunded) and all my future research it will be necessary to submit to a review procedure. In addition, it can create minor research design problems when you try to obtain completely informed consent."

"Review of all department thesis proposals from standpoint of regulations on use of human subjects."

"No restrictions have impeded or added to my own work (own research); time has been necessary to help students with understanding the procedures."

"Restrictions on the use of human subjects, the use of prisoners for research and, in addition, long delays in obtaining new drugs."

"Regulations pertaining to certain drug availability, assurance of informed consent, and human usage all have tended to restrict certain activities, but I find no fault with the thrust of these programs. In fact, I support their presence and committee structures, and time required for their performance."

"The increasing restraints upon research involving human subjects are leading to a stifling of investigator interest in such research."

2. Animal Subjects

a) University Perspective

In 1971, DHEW required institutions receiving DHEW funds to establish and maintain animal care committees to periodically review all University animal facilities for the care and treatment of all warm blooded animals.

In 1968, the Animal Welfare Act required an annual report on animals routinely submitted to pain and drugs. The USDA oversees this function.

The DHEW regulations listed above required the greatest effort on my part. I had to organize the committee, draw up its charge, and institute administrative procedures. Procedures involve the design and use of a form to be used by the committee (attached) and see that timely review is made. An annual report must be submitted to the Vice President for Educational Development and Research.

The latter one above is administered primarily by Dr. Charles Thayer, Animal Care Unit, who provides a great deal of time to this. Our office does send out the large volume of survey forms to faculty (sample attached).

On the DHEW regulations, about 80 man-hours were required in establishing the procedures.

b) Investigator Comments--"I would like to see the animal use people 'get off the back' of the universities and research institutes."

c) Animal Care Unit - The annual Report of Research Facilities for the government compiles data to complete from every animal user in the University, and requires 16 to 24 F.T.E. hours. In addition, inspections must be made of all animal facilities on campus at least yearly for HEW. I also must accompany the Federal Veterinary Inspector during quarterly inspections for USDA. This activity requires 24 hours annually.

I must also meet with the University Animal Care Committee. Committee meetings plus inspections and reports to comply with (2b) require 26 F.T.E. hours.

3. Inventions - University Perspectives

The National Institutes of Health require the submission of a Final Invention Statement and Certification as part of the final report when a grant terminates. This document is prepared independently of the final achievement and financial reports which are submitted at the same time. The invention statement must be prepared regardless of whether or not any inventions were conceived during the grant period.

The invention statement must be prepared and submitted within 90 days after a grant terminates. It must be signed by the principal investigator, sent to this office for University Authorizing Signature, then returned to the principal investigator for inclusion with the remainder of his final report. Of the more than 280 NIH grants active at any one time, an average of 100 terminate each year, thus creating a sizable paper handling and monitoring problem when final reports are due.

Due to the nature of the research conducted, very few inventions are conceived during the course of NIH grants. Consequently, the report described above could practically be eliminated if the regulation was modified to require an invention statement only if any inventions were conceived.

Our institution, and many other major universities, have an HEW Institutional Patent Agreement that assures the government we will inform them if any inventions occur on their grants. Therefore, this many-year-old requirement for forms, even though there is no invention, is redundant.

IV. FACILITIES

A. Safety

1. OSHA (Via Section 18 application)

   a. Subjects the University to comprehensive safety and health standards. The capital costs alone involved here have been estimated at 25 million. Minor repair, renovation and value of total University man-hours may add up to an equal amount over the next 20 years.

   b. 1) Record Keeping (new)

         a) Individual occupational injuries and illnesses

            i) additional to workmen's compensation
            ii) running logs and summaries of a)

         b) Equipment maintenance (not fully implemented)

            i) pressure vessels
            ii) fire alarm systems
            iii) powered vehicles
            iv) powered platforms, manlifts
            v) hoists, cables
            vi) first aid supplies, manpower and training
            vii) occupational exposure to toxic materials
            viii) personal protective equipment

      2) Increased inspectional and consultative activities (doubled)

      3) Increase liaison with Unions

      4) Monitoring of toxic and explosive atmospheres

      5) Collection and disposal of hazardous wastes

      6) Preparation of purchase and contract specifications

2. EPA (Indirectly imposed via funding stipulations to Iowa DEQ)

   a. Subjects the University to exacting air and water quality standards and solid waste management

   b. Permits for operation of air pollution sources (incinerators, etc.)

   c. Permits for hazardous solid waste disposal

3. Costs to Reorganize Administratively for OSHA and EPA:

   New Personnel (3) - approximately $38,000; New Space: 6,000 ft; New Equipment: $7,000; Field Monitoring: $64,000; Waste Incineration and Other Facilities; 20 hours a year on Computer Time

(Note also impact on Personnel Department, Purchasing Department - also, all other departments via self-inspection, policing, personnel monitoring, injury reporting, equipment testing and maintenance, requisitioning and assignment of personal protective equipment.)

In my opinion, a minor fraction of the OSHA regulations relates to the major fraction of occupational injuries and illnesses. Many have a meager history of preventing illness and injury. Yet all have to be considered in the inspectional activities of this service.

B. Space Utilization

1. Information reporting and funds applications requirements having to do with details of space inventories and utilization have generally developed within the last ten years. These include:

   a. Funds Applications

      1) Titles I and II of the 1963 Higher Education Act. (Capital grants for undergraduate and graduate construction, respectively.)

      2) Title III of the Act as Amended - Interest subsidy on funds borrowed for capital contruction.

      3) Title VI of the Act as Amended - Undergraduate equipment.

      4) NSF Undergraduate Scientific Equipment Program

   Applications for each of these programs require extensive information on utilization levels and inventories. It is interesting to note that while available funds have dwindled or disappeared in the case of Titles I and II, the quantity of data required has not diminished for the remaining programs, yet potential funds are almost non-existent compared with those available at the inception of the program.

   b. Information Reporting

      1) Higher Education General Information System - extremely detailed information on space inventories and activity.

      2) Space implications in overhead calculations for federal grants.

2. In order to meet the above requirements it has been necessary over the years to establish and maintain an elaborate computerized record of facilities inventories, by type of use and quantity.

3. Costs

Maintenance of the system requires at least the equivalent of one full-time professional level employee (current salary $15,000/year) plus computer time (estimated at $2,000/year).

4. Records

All records must be maintained on at least an annual update status. Format and context of reports change occasionally requiring reconstruction or modification of records. Example: HEW Taxonomy of Disciplines for HEGIS Report, PCS information.

The inventory carries 225,000 separate pieces of information.

C. Physical Plant

With the introduction of Environmental Protection Agency (EPA) regulations governing the quality of water and air, the Physical Plant Department has been required to direct considerable attention to compliance procedures.

The regulations of concern have dealt with emissions to the atmosphere from the University's power plants and emissions to the Iowa River from the power plant and the water plant. It has been required to work up detailed data to support applications for permits, to work out schedules for compliance and to supervise engineering work for changes or modifications in existing equipment to attain compliance.

Approximately 5% of the time worked by E. C. Lundquist, or 100 man-hours per year, has been required for this activity. In addition, about 150 man-hours per year have been expended by subordinate operating and office personnel.

The majority of the work required involves the preparation of plans and data required to obtain construction or operating permits. As such, this work is non-recurring. Periodic reports required are very minimal except for an annual report required by the Federal Power Commission concerning our activity in generating electrical power.

D. Radiation Safety

1. New Regulations

Since 1963 we have been under Title 10 CFR 20. We have, since July 15, 1975, been required to comply with new regulations place upon us by the Food and Drug Administration. We are still attempting to implement these but it will require administrative changes in the committee structure (Human Use Subcommittee) and this will require my office to submit yearly reports which have not been done in the past.

2. Costs

I have no idea at the present time as to the additional man-hours or the cost that these new regulations will produce. If I had to pick a figure it would probably be approximately 80 man-hours a year with a slight increase in administrative cost.

3. Routine Procedure

Our entire operation is governed by federal regulations and those requiring recurring activity would include room surveys, records of incoming radioactive shipments (150 a month), survey of laboratories (20-30 a month), review of film badge reports (50 reports involving approximately 900 people), collection, packaging, and disposal of radioactive waste.

4. Reports

By-product material license renewal every three years.

Special Nuclear Material license (2) renewal every year.

Incident reports that fall under 10 CFR 20 - approximately once a year; this is not a printed report but in form of a letter or telegram.

Food and Drug Administration will require submission of complete history of work being done with regard to radioactive drugs in humans for that particular year.

5. Special Committees

Radiation Protection Committees (3):
  Human Use Subcommittee
  Medical Bio-Science Subcommittee
  Basic Science Subcommittee

Hospital Safety Committee

Environmental Safety and Health Committee

6. Communications Difficulties

Basically, complying with federal regulations involves changes in our licenses. It appears lately that the time intervals between our request and the answer have stretched to the point where it is physically impossible to sit around and wait until the NRC decides to review our request.

A recent example of this was a simple request directed to the NRC on 10 February 1975. We received a reply to the request 2 October 1975 requesting additional information. The final disposition of the subject has not occurred as yet.

V. TEACHING HOSPITALS AND CLINICS

Beginning with the Medicare-Medicaid program, the University of Iowa Hospitals and Clinics have been seriously affected by federal governmental regulations.

A. Planning

The planning legislation has been the most burdensome. The Comprehensive Health Planning and Public Health Service Amendments of 1966 (P.L. 89-749) and the Partnership for Health Amendments of 1967 (P.L. 90-147), created a national system of health planning agencies to review capital expenditures of health care facilities. The Social Security Amendments of 1972 (P.L. 92-603) mandated that all capital expenditures for acquisition, improvement, expansion or replacement of plant and equipment which exceed $100,000, change bed capacity or substantially change services must be submitted to the state Comprehensive Health Planning agency for prior approval. The sanction for failure to obtain approval is that no federal program will pay the portion of patient care costs attributable to depreciation, interest or return on equity of unapproved capital expenditures.

University Hospitals has many projects each year that exceed the $100,000 limit. (See Appendix , the Projected Three-Year Capital Expenditure Program, which is also required.) Any significant renovation will exceed $100,000. In addition, in the last year alone we have acquired three pieces of equipment which have each exceeded $100,000 - the EMI brain scanner, the EMI body scanner and a linear accelerator. The acquisition of these powerful diagnostic and therapeutic devices on the frontiers of medicine is becoming increasingly difficult due to the cumbersome approval procedures.

In order to obtain approval, each project must be submitted to the Hoover Health Council, the areawide planning body. It takes a great deal of time to prepare the required documentation. Each of the other regional bodies in the state can submit questions which we must answer. Several members of the hospital's administrative staff must then appear before the state planning agency to present the final justification. This procedure is very time-consuming.

The National Health Policy, Planning, and Resources Development Act of 1974 (P.L. 93-641) will completely restructure the planning process. It still requires a complex process of review and approval of capital expenditure projects over $100,000. (For additional information, see Appendix)

B. Patient Care Review

The review of capital expenditures was only one of the 57 provisions of Public Law 92-603 that affected providers of health services. Two other provisions - Utilization Review and Professional Standards

Review Organizations (PSRO) - have equally substantial effects. These provisions, along with the Quality Assurance Program (Appendix) mandated by the Joint Commission on Accreditation of Hospitals (JCAH), are establishing criteria and evaluating the quantity and quality of care given patients. These programs are consuming an increasing amount of time. The first study of the care given to patients with one disease entity in one department took 40 physician-hours and over 350 clerical hours. Four additional people have been added in the Medical Record Department to assist physicians in patient care evaluation.

C. Licensure, Accreditation and Validation Studies

University Hospitals are licensed by the state and accredited by JCAH. The JCAH standards have the effect of federal regulations because compliance with them is accepted in lieu of compliance with some Medicare-Medicaid standards. JCAH standards affect every facet of the hospital. Their primary impact has been to increase planning, review, and documentation. Increasing documentation of patient care, patient care evaluation programs and other hospital activities has been required, which takes a significant amount of time. The Social Security Administration is now conducting validation surveys of JCAH accredited hospitals to assess JCAH review. This triple system of evaluation can be extremely time consuming. JCAH alone requires the completion of a questionnaire with over a thousand questions regarding every element of the hospital's operation.

D. Accounting and Billing

Medicare-Medicaid requires a special 50 page accounting of hospital costs to be prepared within 90 days of the end of each fiscal year. This is at least ten times as long and complex as the accounting required for any other purpose. In order to meet the deadline, the assistance of an outside accounting firm is necessary. An additional $48,000 must be expended each year to satisfy this requirement (see Appendix).

The Business Office billing procedures for some of the special Medicare-Medicaid programs, such as the renal disease program, are more time consuming than for other third party payors. Two additional full-time equivalents (approximately $12,000 in personnel costs per year) are required for the extra procedures. The special programs do not compensate for this extra time (see Appendix).

Public Law 92-603 imposed limitations on general service rates. These limitations were imposed geographically by population density. The University Hospitals are located in a region that was assigned a relatively low limitation. No attention was given to the fact that we are Iowa's tertiary care center and teaching hospital with the commensurate higher costs. This has necessitated an expensive appeal process to acquire the classification appropriate to this institution.

E. Hill-Burton Free Care

Since University Hospitals received construction funds under the Hospital Survey and Construction Act (Hill-Burton), we have had to implement the Hill-Burton regulations for provision of free care. Since University Hospitals has never turned patients away on financial grounds, the mandated efforts were all superfluous.

F. Other Social Security Administration Requirements

The Social Services Department has had to hire a discharge coordinator and add 100 square feet of space to accomplish the mandated discharge planning (see Appendix).

The Medical Record Department has had to hire an additional person in the past year to complete the revised disability determination procedures.

G. Drug Regulations

1. Controlled Substances Act - Each physician must be registered and receive a number before being permitted to prescribe controlled substances. In order to assure that this is done, considerable clerical time is taken assisting physicians to prepare individual applications and keeping records of each physician's registration status. Additional inventories, labeling and other record keeping are required.

2. Food and Drug Administration - The Drug Efficacy Study Review and the Methadone Monitoring Program require additional record keeping and periodic reports.

3. Poison Prevention Packaging Act of 1970 - A complete change in drug packaging and prescription blanks was required to provide "child-proof" containers.

4. Maximum Allowable Cost for Drugs - This proposed Medicare-Medicaid regulation will require increasing administration time justifying drug costs. Because our formulary system already minimizes drug costs, it is unlikely that this time will result in any additional savings. (For additional information, see Appendix).

H. Blood

Last year blood came under stringent Food and Drug Administration regulation covering all phases of donation, processing, labeling and storage.

I. Building Design and Construction

1. Life Safety Code - The Medicare-Medicaid program requires participating hospitals to comply with the Life Safety Code. This detailed code specifies the degree of fire resistance of buildings and the ease of getting out of the building in case of fire. Building materials, sprinkler systems, corridor and door widths and numerous other details are specified.

2. The Hospital Survey and Construction Act (Hill-Burton) - When construction is in any part financed with Hill-Burton money, an additional set of design requirements must be met. For example, additional fire protection is required in areas that are considered more hazardous.

3. Architectural Barriers to the Handicapped - HEW regulations call for a wide variety of design modifications, special facilities and special warning devices to assure that persons with a variety of disabilities can safely and comfortably use the building. Braille signs, special toilet fixtures, larger toilet sizes, and the height of elevator buttons are just some of the modifications.

J. Veterans Administration

University Hospitals has a close interrelationship with the local Veterans Administration Hospital. This harmonious relationship is occasionally made quite difficult by national VA policies. A great deal of time is consumed in the protracted discussions and documentation that is necessary to get these policies changed or waived in order to achieve just results.

K. Proposed Legislation and Regulations

1. Health Manpower Legislation - Proposed legislation would force the restructuring of residency programs by restricting the number and types of residents. This would have a substantial impact on the quantity of specialized services that the hospital can offer.

2. End Stage Renal Disease Proposed Regulations will require 30 hours per month and revised record keeping.

3. Clinical Laboratory Improvement Act - Amendments have been proposed which would place the hospital laboratories under direct federal regulation.

L. Regulations That Also Affect the Rest of the University

Occupation safety and health, equal opportunity employment and other regulations affecting personnel practices and safety; radiation regulations; HEW-NIH grant procedures and Protection of Human Subjects regulations; and FDA research regulations all heavily affect the hospital. However, they will be covered by the appropriate University offices, so they will not be reiterated here.

APPENDIX 1

OFFICE OF THE VICE PRESIDENT FOR
EDUCATIONAL DEVELOPMENT AND RESEARCH
Division of Sponsored Programs
202 Jessup Hall

March 12, 1976

Memorandum

To: Selected University Departments and Offices

From: William Farrell, Associate Vice President
Educational Development and Research

As you may have noted from President Boyd's remarks to the President's Domestic Council last semester, this University along with many others is very concerned about the impact that federal regulations, special studies, and decentralization for increased monitoring have had on universities. In order to make government decision-makers aware of the cost in dollars and talent of overregulations and interference, our University is attempting to develop a case history that will give some quantitative evidence to the frustrations and concerns that academic institutions encounter. Most of the study will be focused in central institutional administrative offices.

The purpose of this memo is to seek examples of the specific kinds of federal regulation which in your opinion have been costly and time consuming to the organization of your office. The attached questionnaire should provide an outline for your reply. All questions will not necessarily be applicable.

Please send your response to Dr. Robert Ontjes, 202 Jessup Hall, by March 29. Thank you for cooperating in this analysis.

WF:meh
Enclosure

Questionnaire
Concerning the Impact
of Federal Regulations
on University Administration

1. Within recent years (i.e., the last ten years) have you and/or your office had to change or restructure one or more administrative procedures to comply with Federal regulations? If so, please identify a) the nature of the regulation(s) and b) the nature of the changes in administrative procedure that the regulations prompted, noting any new administrative procedures that had to be added for compliance. Attach a separate statement if the space below is not adequate to describe briefly the changes you have had to make.

Questionnaire Concerning the Impact of
Federal Regulations on University Administration

2. If the answer to question #1 is "yes," please provide an available estimate you may have of the man-hours and/or costs that the reorganization of administrative procedures required.

Questionnaire Concerning the Impact of
Federal Regulations on University Administration

3. If the answer to question #1 is "yes," did you or your office ---

a) Engage additional personnel to perform any new administrative functions? Yes ________ No ________ If so, how many? ________

b) Maintain additional records for the sake of any new duties? Yes _______ No _______ If so, how many? __________

c) Assign additional space for the performance of any new duties? Yes _______ No _______ If so, how much approximately? __________

d) Purchase and/or lease equipment for the performance of any new duties? Yes _______ No _______ Please specify:

e) Utilize additional computer time because of these additional duties? Yes _______ No _______ If so, how much?

4. Regardless of whether the regulations are recent or old, identify any recurring activity on your part or that of your office which is required to comply with existing Federal regulations and that is not described above.

5. Regardless of whether the regulations are recent or old, identify the different kinds of reports that you or your office must submit to comply with a Federal regulation or regulations. Please attach sample copy of each kind of report, if this is possible.

6. Do you serve on any committees or subcommittees within the University where a significant share of its activities are mandated by Federal regulations? If so, which ones?

7. Some regulations restrict rather than mandate activities. Are you aware of any Federal regulations that have added restrictions to the performance of your professional/and/or administrative activities within the last five years? If so, please specify.

Questionnaire Concerning the Impact of
Federal Regulations on University Administration

8. Do you have any specific examples of communication difficulties or other administrative problems generated by efforts to comply with Federal regulations? Please cite.

APPENDIX 2

OFFICE OF THE VICE PRESIDENT FOR
EDUCATIONAL DEVELOPMENT AND RESEARCH
Research Services and Administration Section
202 Jessup Hall

January 19, 1976

Memorandum

To: Project Directors, Federal Grants Committee Members, Human Subjects and Animal Policy Committees

From: William Farrell, Associate Vice President, Educational Development and Research

As you may have noted from President Boyd's remarks to the President's Domestic Council last semester, this University along with many others is very concerned about the impact that federal regulations, special studies, and decentralization for increased monitoring have had on universities. If we have or seek legislative redress for this problem, however, it is necessary to document our case. In order to make government decision-makers aware of the cost in dollars and talent of overregulation and interference, our University is attempting to develop a case history that will give some quantitative evidence to the frustrations and concerns that academic institutions encounter. Most of the study will be focused in central institutional administrative offices.

The purpose of this memo is to seek examples from you of the specific kinds of federal regulations that have been costly from your vantage point as a project director and/or faculty member. It would be helpful if you could be quite detailed about the regulation, the time that you have spent in meeting that obligation, and your assessment of the need for the regulation. We are also interested in the time you may be spending on committee work that is required because of federal regulations.

Please send your response to Dr. Robert Ontjes, 202 Gilmore Hall by January 30.

Thank you for cooperating in this analysis.

WF:meh
Enclosure

NAME:______________________DEPT.:____________________TELEPHONE:__________

1. Identify the kinds of reports that you or your office must submit to comply with a Federal regulation or regulations. Please attach a sample copy of each kind of report, if this is possible.

2. Identify any recurring activity that you or your office is required to follow in order to comply with Federal regulations.

3. Do you serve on any committees or subcommittees within the University where the principal activities are mandated by Federal regulations? If so, which ones? How much time do you spend on these committees?

4. Some regulations restrict rather than mandate activities. Are you aware of any Federal regulations that have added restrictions to the performance of your professional activities within the last five years? If so, please specify.

Impact of Federal Regulations at a University

D. C. Spriestersbach and William J. Farrell

Summary. Last year the University of Iowa conducted an in-house study of how federal regulations, executive orders, and agency administrative policies affected the day-to-day operations of the university on all levels. This article is an analysis and reassessment of the federal impact issue based on the information uncovered in the University of Iowa survey.

At a recent meeting of federal liaison officers from various universities, one association representative remarked, "the last thing we need is another university president, giving a protest speech on what federal laws and regulations are doing to American higher education." His remark was not so much a criticism of the speeches that had been made but rather an implicit testimonial to their effectiveness. Over the last 24 months the outpouring of anguished presidential speeches and protesting annual reports has captured the attention of both the Congress and the executive agencies (*1*). Because of these outcries, a congressional commission on paperwork pursued an inquiry into the problem of excessive information gathering, a Department of Health, Education, and Welfare (HEW) task force has published a set of recommendations to ease the problem, executive orders have gone forth to limit the number of regulations issued, and the agencies themselves have taken to generating "notices of intent" that ask questions rather than simply state proposed rules. In Congress, more than one bill has been introduced to minimize federal impact.

The plea for "no more presidential speeches" is really a recognition that higher education has reached a new stage in confronting a vexing problem in governmental relations. The need for impassioned protest has passed; the time has come for a critical analysis of the problem. The phrase "federal impact" encapsulates a whole series of distinct issues, and, convenient as encapsulations are in the give-and-take of rhetorical battles, they have a way of presenting problems that, by their very presentation, defy solution. A federal agency's refusal to accept a proposal hand-delivered 20 minutes past deadline may be no less serious a matter than the costs of implementing OSHA (Occupational Safety and Health Administration) regulations—at least symbolically—but it is clearly a problem different in kind as well as scale. If we are to persuade others that higher education today has a troubled relationship with the federal government, and if we are to recommend solutions, then we need to sort out the kinds of federal impact that higher education experiences, pinpointing our most serious concerns. To that end, the University of Iowa took an inventory last year of the various ways in which federal laws, regulations, and administrative decisions affect its daily operations. The purpose of the study was not to make a cost analysis of federal impact, nor was it to collect horror stories of federal intrusions. Rather its intention was to provide a reasonably comprehensive, detailed narrative of how extensive the federal presence is in the day-to-day activities of a fairly typical university.

Even in summary form, that inventory comes to 50 pages of particulars, covering five main categories of university administration: (i) employment and personnel administration, (ii) student affairs, (iii) sponsored research and training, (iv) facilities administration, and (v) hospital administration. The section on employment and personnel administration includes the impact of at least 12 major pieces of legislation, and it contains the most familiar and most often cited examples of federal impact. The section on student-related administration surveys admissions, student records, student activities, and student services, including financial aids, placement, and counseling. A third section details the influence of federal regulation regarding research administration, grants management, and the treatment of human subjects, animal subjects, and inventions. A fourth section concentrates primarily on regulation related to safety [for example, OSHA, and the Environmental Protection Agency (EPA)], space utilization, physical plant, and radiation protection. The final section is devoted exclusively to the teaching hospital, and it encompasses a wide range of impacts, such as patient care review, drug control, blood management, licensure, accreditation and validation studies, accounting and billing, as well as building designs.

As we sifted through these data, it became apparent that we had encountered at least three different kinds of federal impact. The first and perhaps most familiar is the direct cost that some federally mandated programs impose on higher education. Social Security, OSHA, and Unemployment Insurance are typical of such programs. A second and less easily measured impact is the "hidden" administrative cost that many more federal programs generate in our colleges and universities. A third type of impact is less easily described, but it has to do with certain "opportunity losses" that regulatory constraints can create in an academic environment.

In each case both an economic and noneconomic issue are involved. Although it is tempting to think of the direct costs of federally mandated programs as purely a matter of dollars and cents, it is important to keep in mind that significant education trade-offs are at stake and that the issue goes beyond that of "affordability." Conversely, the impact of constraint may bear no obvious price tag, but resulting opportunity losses are as economically real as the dollars paid out for compliance with OSHA regulations. Nonetheless, each kind of impact poses a different kind of problem for an educational environment. Each presents a different complexity in measurement, and certainly each demands a different form of redress.

Dr. Spriestersbach is Vice President for Educational Development and Research and Dean of the Graduate College, and Dr. Farrell is Associate Vice President for Educational Development and Research at the University of Iowa, Iowa City 52242.

The Impact of Direct Costs

Generally speaking, programs, projects, or activities that require a direct outlay of funds by educational institutions are ones mandated for many kinds of institutions, not simply colleges and universities. Because the costs of such programs are easily determined, their costs have been frequently used to dramatize the dollar impact of federal law and regulation on higher education. A case in point is the American Council of Education (ACE)-sponsored study, *The Costs of Implementing Federally Mandated Social Programs at Colleges and Universities* (*2*), which analyzes the impact of 12 such programs on six different institutions. It is primarily on the basis of the programs studied that some have come up with the commonly made statement that "federal impact" costs higher education approximately $2 billion annually or roughly the same amount it receives from all private sources combined.

It is not always clear, however, that the burden or incidence of these mandated programs rests squarely on the educational enterprise. Consider the following two cases. Some time ago, the University of Iowa estimated that the capital cost of complying with OSHA regulations would amount to about $25 million, more than 16 times the amount appropriated for the University of Iowa for capital expenditures last year. Similarly, a private university in the ACE study attributed 10 percent of its federal impact costs to OSHA alone, while a public university in the same survey ascribed 25 percent of its costs to that program. A strong case can be made that such expenses are borne directly by the educational enterprise, at least in the case of private institutions. Major capital improvements can reduce funds available for educational programs, freezing their development or passing those costs on in the form of higher tuition. However done, the student ultimately bears the burden in reduced programs or greater expenses.

What has been said about OSHA-inspired costs cannot be said of a university's share of the Social Security tax, however. As George Rejda points out in his textbook, *Social Insurance and Economic Security*, "research studies generally support the hypothesis that all payroll taxes, whether paid out by employers or employees, are absorbed by labor in the form of lower wages" (*3*). A cross-sectional analysis of nations with high employer taxes, performed by Brittain at the beginning of the decade, reveals that the imposition of a payroll tax does tend to reduce wages by roughly the amount of the tax (*4*). Indeed, in the very ACE study that raises the Social Security issue, salaries of academic and nonacademic employees are cited as one of the three institutional expenditures that are growing more slowly than program costs and that "may be bearing some portion of the burden" (*2*, p. 20). This is very much in line with Rejda's view that, in the case of payroll tax increases, "money wages do not actually fall, but the firm recoups the higher . . . tax by granting lower wage increases" (*3*). In any event, it would appear questionable to argue that the educational program itself or student tuition bears the lion's share of the Social Security burden. Educators undoubtedly do, but in that respect they are no different from other wage earners who are subjected to payroll taxes.

It is important, therefore, in measuring the impact of federally mandated social programs on higher education to determine where the real incidence or burden of the cost finally falls. The very credibility of our protests assumes that we are focusing attention only on those programs that are unwittingly financing other social goods at the expense of higher education. Moreover, the solutions we propose must recognize the real incidence of social program costs. Legislation that would help colleges and universities to comply with OSHA regulations would undoubtedly provide significant relief from a major federal burden, especially in the private sector. On the other hand, those who would propose to help "labor intensive" education by shifting payment for Social Security from payroll taxes to general revenue are overlooking the critical matter of incidence, and their proposed solution would provide little help to higher education in the long run.

In those cases where the direct costs of a federally mandated program are borne by the educational enterprise, a powerful case can be made for federal support. The argument is not that education is more important than employee safety or job security, but rather that a public program which finances itself at the expense of other publicly financed programs seriously distorts the ability of the society to judge the costs and benefits of its social programs. The real evil here is that of hidden costs, and it is far more pronounced when we turn from federal laws and regulations that require an explicit outlay of funds to those that impose an implicit burden in the form of administrative tasks. This was the kind of federal impact that we were most interested in identifying.

The Impact of Hidden Costs

Only a handful of federal programs consciously require direct outlays of educational funds for other national objectives, but literally hundreds of laws, regulations, and executive orders place an immense, invisible burden of administrative tasks on higher education. Most of the articles on federal impact have focused on the horror stories, on the egregious examples of absurd regulation or bureaucratic officiousness; but these exceptions (and they are exceptions) constitute only a small part of the problem. What the University of Iowa survey revealed is that the "reasonable" regulations create the real burden.

In our payroll department, for example, the staff has taken on six administrative activities in recent years because of new federal laws and regulations. They include efforts (i) to record information needed for all employees covered under the Fair Labor Standards Act, (ii) to implement the rules surrounding the Supplemental Retirement Annuities Law, (iii) to monitor employee compliance with a new provision under the new Pension Law, (iv) to notify on W-2 forms an employee's participation in a qualified pension plan, (v) to conduct a federally mandated survey on employment in higher education, and (vi) to mail to new employees a statement required by the Federal Truth and Lending Act. There is not a horror story in the lot. Each requirement appears perfectly reasonable and even minor in nature. And yet these six activities alone required the addition of one new employee, five filing cabinets of new records, and $15,000 in computer programming and reprogramming expenses. In similar fashion, in the personnel department, 17 duties required by federal laws and regulations have necessitated five new administrative positions and $10,000 in computer programming costs, plus associated costs in space and facilities.

Often it is difficult to gauge the costs of such burdens. For the most part, new administrative tasks are simply absorbed by existing staff and existing resources. As these tasks mount, they gradually result in additional staff and attendant operating costs. "Recently, an administrative assistant was hired to assist at a cost of $9,100," notes the respondent for the registrar's office; "the need for this new person came largely from the great burden the VA [Veterans Administration] places on the University" (*5*, p. 9). That is, little duties gradually accumulated until there had to be an actual addition in full-time staff, and then only on the basis of judgment and inference can it be traced back to specific governmental duties.

In some cases, the costs are never evidenced, because they consume economies that are achieved in other sectors. Thus, speaking of the cost impact of the Buckley amendment, one administrator reports: "No estimate is available of man-hours and/or cost required by these new regulations. However, we have not been able to eliminate a clerical position we had planned to phase out." In measuring financial impact, in brief, it is important to take into consideration what might have been as well as what is.

It is difficult to distinguish between administrative tasks generated by law and regulation from those a university would undertake anyway. A case in point is the growth in financial-aids administration at the University of Iowa. Our financial-aids staff grew from two administrators and three clerical staff members in 1967 to seven administrators, five clerical staff, five graduate assistants, and six students on hourly wage in 1976–77. Salaries expanded from $50,094 to $155,905, and general expense from $3500 to $30,000 in 8 years. This dramatic growth reflects in part a growth in student-aid programs, as well as a university commitment to keep students fully informed on financial-assistance opportunities. It also reflects, however, the cost of frequent changes in reporting requirements for federal student-assistance programs. Similarly, the growth in the personnel department reflects the university's own commitment to affirmative action as well as regulatory mandates.

Because of these and other measurement problems highlighted by our survey, we doubt that federal compensation is the answer to this second kind of federal impact. In cases where some federal compensation is provided for administrative burden, it rarely if ever covers the actual costs. In most cases, the VA now reimburses the university for its work with a check for approximately $4 per benefit recipient, for example; but the registrar's office (which performs much of the work) estimates that the university's real costs are close to $20 per benefit recipient. The introduction of more administrative fees for services, coupled with the difficulty of measuring actual costs, might seem to justify the addition of still more administrative tasks, worsening rather than improving the invisible burden on colleges and universities. Moreover, in sharp contrast to federally mandated social programs, federally mandated administrative tasks may no more serve the interests of the federal government than they do the institutions that implement them. Automatic compensation might stifle the only kind of protest that inefficient and ineffective regulations are likely to encounter, and that is the protest of those designated to implement the rules.

The real need is to eliminate regulations that are ineffective, useless, or too costly for the benefits they yield. For example, a task force of educators and federal administrators should look for:

1) *Frequent changes in reporting formats.* The report format under the Maternal and Child Health formula grants has changed every year for the last 6 years, requiring the maintenance of additional manual ledgers and expensive changes in automated fiscal accounting reports.

2) *Different federal agencies imposing different reporting requirements in the same information area.* Affirmative action is the classic case with the Department of Labor, the Office of Civil Rights, and HEW performing like but separate roles. More recently, when the Office of Management and Budget issued A-110 regulations for the various federal agencies, each agency in turn issued its own notice of intent to publish regulations on the regulations. The result will be multiple sets of regulations on the same guidelines.

3) *Individual reports that duplicate general contract provisions.* The National Institutes of Health requires a final invention statement and certification as part of every final report that duplicates assurances in a general University of Iowa–HEW institutional patent agreement.

4) *Reports whose costs and complexities far exceed those of comparable reports in the private sector.* Medicare-Medicaid requires a special 50-page accounting of hospital accounts that costs the University of Iowa hospitals $48,000 annually. It is ten times as long and complex as accounting reports required by private carriers or those prepared for internal purposes.

5) *Multiple evaluations of the same activity.* The Social Security Administration is now conducting validation surveys of hospitals accredited by the Joint Commission on Accreditation of Hospitals to accredit the accreditor.

6) *Reporting requirements that ignore current educational practices in colleges and universities.* Recently the VA issued regulations that assumed implicitly that universities and colleges took daily class attendance.

7) *Approval or review procedures that involve multiple governmental units.* Formula grant applications for a program to train social workers must first go through the state and then the regional office in Kansas City. Special project grants under the Health Professions Act must first be reviewed by the local Health Systems Agency and then by the State Health Systems Agency before going on to the regional office. This is a regional office requirement.

As far as the administrative costs of federal impact are concerned, the ultimate objective is to keep federal regulation lean and effective, neither to eradicate it nor to subsidize it. To this end there must be a partnership between educators and federal agencies for the drafting of efficient as well as effective regulations. The new "Notices of Intent" to publish regulations (NOI's) are a step in the right direction. Assessment of economic impact of legislation at the time of drafting (as proposed by Senator Herman Talmadge of Georgia), use of university consultants in the actual drafting of regulations (as proposed by former HEW Secretary Mathews), cost simulations of implementation prior to final regulations, cost-benefit analyses attached to proposed regulations, proper congressional oversight of the economic consequences of regulations, use of one agency to regulate one problem area, and the like, could go a long way in ameliorating this second kind of federal impact on higher education. None will solve the problem, of course. As long as higher education continues to rely on the federal government in the pursuit of its various missions, regulation will remain an important fact of academic life, and as long as frail humanity creates the regulatory code, ineffective and inefficient regulations always remain a threat. Like sound fiscal and monetary practices, however, good drafting procedures can control runaway inflation in the current cost burdens on universities and colleges.

Potential "Opportunity" Costs of Federal Impact

Whether direct or indirect, evident or hidden, financial costs still remain only one dimension of the problem. Although we have difficulty measuring what regulations have done to us, we have even more difficulty envisioning what they might have kept us from doing. We do not know whether discoveries have gone undiscovered, any inventions have been uninvented, or educational developments have been untried because of federal regulation. And yet negative constraint is every bit as important as positive command, and psychic burden is as critical as cost burden in determining the full impact of federal regulation. That is why, in our survey, we placed special emphasis on the constraints that administrators, instructors, and researchers might encounter in their daily experiences.

Although few project directors complained about the brunt of federal impact, many administrative staff members who experience the brunt of federal regulation directly do express a degree of exasperation. Consider the following comment on the Buckley amendment. "In my 16 years with this office, I have never encountered a more time-consuming, expensive, or frustrating federal law. It has taken valuable time that I should have been spending helping our candidates find positions. While I am not necessarily in disagreement with its intent, its abrupt passage and lack of clarity have caused great difficulty to this office, to employers, and, most importantly, to the candidates themselves" (5, p. 17). One cannot read this passage without concluding that something has been lost through time diversion and plain frustration in the writer's service to the candidates. It is not a loss that can be measured, but it is every bit as real as the dollars OSHA costs, perhaps even more real.

Now none of us needs a crystal ball to foresee that, if regulatory burdens and constraints continue to grow, their effect will eventually reach beyond our protective layer of administrative staff to teachers and researchers (6). And it is conceivable that the psychic burden of regulation dramatized in the above passage will come to rest on scientific inquiry and humanistic learning just as heavily as it has come to weigh on placement. Although less tangible than OSHA costs, or even the payroll duties, this third kind of federal impact concerns us the most, because it could carry with it the highest social cost of all, namely, the loss of new knowledge, new creativity, and new understanding.

Such costs cannot be covered by federal subsidy. They cannot be prevented by new rules for writing regulations. They can be avoided only when those who regulate and those who are regulated share the same common objective, when they trust each other in the pursuit of that objective, and when they are both more intent upon the goal than the paces of their fellow runner. In a recent conference with several university presidents, HEW Secretary Califano epitomized the problem when he suggested that most regulations today are written as though they were for lawbreakers.

It seems to be no coincidence that the problem of federal impact emerged in this country after an era of riot on American campuses and in an administration suspicious of the academic scene. A legacy of mutual mistrust remains, and it continues to generate a type of regulation that is instinctly heavy-handed. Such regulation might be subsidized or minimized by aggressive action on the part of educators, but its psychic burden will continue to grow until its cause is laid to rest. Although there is a need to subsidize the federally mandated programs that are truly borne by higher education, and although there is a need to resist with vigor the ineffective and inefficient administrative burdens imposed on our universities and colleges, there is also a need to restore the spirit of partnership and cooperation that once characterized the relation between state and gown. Without this, the opportunity costs to both will far exceed the costs of any positive burden.

References and Notes

1. For elaboration, see C. B. Saunders, Jr., *Educ. Rec.* 57, 217 (1976).
2. C. Van Alstyne and S. L. Coldren, *The Costs of Implementing Federally Mandated Social Programs of Colleges and Universities* (American Council on Education, Washington, D.C., 1976).
3. G. E. Rejda, *Social Insurance and Economic Security* (Prentice-Hall, Englewood Cliffs, N.J., 1975), p. 458.
4. J. A. Brittain, *Am. Econ. Rev.* 61, 110 (1971).
5. Office of the Vice President for Educational Development and Research, "Impact of Federal Regulations on the University of Iowa," an unpublished document (University of Iowa, Iowa City, 1976).
6. For comments on how federal impact is already affecting faculty, however, see B. L. R. Smith and J. J. Karlesky, *The State of Academic Science* (Change Magazine Press, New Rochelle, N.Y., 1977), chap. 1, p. 190.

SUMMARY OF FEDERAL FUNDS FOR STUDENT AID

I. Institutional Based

National Defense/Direct Student Loans

	1973-74	1974-75	1975-76	1976-77
Requested	$1,585,110	$1,440,812	$1,404,000	$1,037,240
Received	576,678	675,841	769,234	613,551
No. of Awards	2125	2182	2441	2200*
Collections	835,143	957,712	1,051,927	1,157,120*

Supplemental Educational Opportunity Grants (SEOG)

	1973-74	1974-75	1975-76	1976-77
Requested	$ 509,500	$ 784,000	$ 784,000	$ 784,000
Received	248,700	370,838	356,436	312,705
No. of Awards	400	441	464	475*

Work-Study Program

	1973-74	1974-75	1975-76	1976-77
Requested	$ 720,000	$1,200,000	$1,200,000	$1,594,200
Received	455,655	639,024	791,104	751,459
No. of Workers	775	1069	1195	900*

II. Recipient Based

Basic Educational Opportunity Grants (BEOG)

	1973-74	1974-75	1975-76	1976-77
Amount Awarded	$ 38,209	$ 250,311	$ 801,093	$1,870,196*
No. of Awards	148	412	997	2173*

Federally Insured Loans

	1973-74	1974-75	1975-76	1976-77
Amount Loaned	$2,402,642*	$3,188,856	$3,122,322	$3,287,279*
No. of Loans	1711*	2219	2107	2093*

*** Estimated Totals**

OFFICE OF THE VICE PRESIDENT FOR
EDUCATIONAL DEVELOPMENT AND RESEARCH

July 15, 1977

MEMORANDUM

TO: Boyd, Brodbeck, Barnes, Brcka, Jennings, Barritt, Eckstein, Hering, Hines, Jones, Laster, McLeran, J. Montgomery, R. Montgomery, Ray, Seebohm, Shanhouse, Wurster, Wyrick

FROM: D. C. Spriestersbach

Attached is a five year summary of the gifts, grants, and contracts accepted by the University between July 1, 1972 and June 30, 1977. Certain facts are worth special comment.

The 4.5% increase in the amount of funds accepted over the previous year is partially attributable to the fact that the federal government will now allow us to use a negotiated indirect cost figure of 59% rather than 55% of salaries and wages. This rate is still 3% lower than our calculated rate of 62%.

Our office is very pleased that there has been a 13% increase in the number of applications submitted this year over the past year. A number of new sizeable awards to first-time investigators are in the process of final negotiation for the new federal fiscal year which now ends September 30 (a fact that makes comparison with the past year somewhat difficult since so much federal money is often released in the last fiscal quarter).

It is also a pleasure to report that there has been a 15% increase in the amount of funds received from the National Science Foundation and a 17% increase in the funds that we categorize as research. The latter figure will be inflated somewhat due to the fact that as of last month we began reporting the authorization line for NIH grants including the carryover unobligated balance.

The number of grants from state and local government continues to increase. The University accepted 169 grants totaling $2.8 million in contrast to 109 for $2.5 million in the previous year.

In the coming month, the Division of Sponsored Programs will update the charts on success ratios of applications to awards for each of the departments in the University. These charts now date back for a period of five years. They are available to you upon request.

Each of the Collegiate Deans have been sent special summaries for their colleges as well as their detailed monthly and annual reports.

MEH/DCS:jlw

Enclosure

Prepared in the Division of Sponsored Progr

7-15-77

Gifts and Grants
Totals to Date
July 1, 1976 through June 30, 1977
Summary Report

	Applications*	All Pending[3]	Awards Based On Date Award Received	Awards Based On Date Project Starts
Direct Costs				
Current Year	79,504,483	50,909,069	38,313,717[2]	35,302,658
Previous Year	74,339,135	53,122,067	35,504,773[1]	-
Increase or Decrease	7%	-4%	8%	-
Indirect Costs				
Current Year	17,565,340	12,155,856	6,164,300	5,646,847
Previous Year	15,604,765	11,539,537	5,171,656	-
Increase or Decrease	13%	5%	19%	-

Totals by College - Direct Costs Only

	Applications*	All Pending[3]	Awards Based On Date Award Received	Awards Based On Date Project Starts
Liberal Arts				
Current Year	19,076,434	15,546,643	4,176,009	4,077,328
Previous Year	12,591,993	10,003,825	4,427,452	-
Increase or Decrease	51%	55%	-6%	-
Business Administration				
Current Year	465,936	214,236	152,215	152,215
Previous Year	550,192	341,639	195,706	-
Increase or Decrease	-15%	-37%	-22%	-
Dentistry				
Current Year	1,901,356	965,706	1,528,971	1,393,156
Previous Year	2,976,720	2,576,618	1,548,953	-
Increase or Decrease	-36%	-63%	-1%	-
Engineering				
Current Year	3,657,413	2,801,903	846,029	773,430
Previous Year	1,822,504	1,224,078	720,228	-
Increase or Decrease	101%	129%	17%	-
Graduate College				
Current Year	3,295,349	1,440,350	1,017,231	1,418,736
Previous Year	2,054,300	1,579,167	1,042,883	-
Increase or Decrease	60%	-9%	-2%	-
Law				
Current Year	17,323	6,941	370,873	370,873
Previous Year	370,144	356,709	12,481	-
Increase or Decrease	-95%	-98%	2872%	-
Medicine				
Current Year	38,457,163	23,754,343	18,890,240	16,509,423
Previous Year	38,325,408	27,207,376	16,412,715	-
Increase or Decrease	0%	-13%	15%	-

Summary of Gifts, Grants, and Contracts Accepted by the U of I
Between July 1, 1972 and June 30, 1977

1.	Applications Forwarded	% Increase/Dec. Over Previous Yr.	Funds Accepted	% Increase/Dec. Over Previous Yr.
1972-73	69,841,938	- 4	33,264,481	5
1973-74	91,097,664	30	41,301,291	24
1974-75	86,744,844	- 5	44,732,618	8
1975-76	89,943,900	4	42,407,195	- 5
1976-77	97,069,723	8	44,295,403	4.5

2. A comparison of gifts, grants, contracts from selected major sources.

	PHS	OE	NSF	NASA
1972-73	19,943,886	3,053,939	1,533,201	1,166,170
1973-74	24,304,083	2,148,070	1,156,780	5,961,607
1974-75	29,457,775	3,376,164	1,576,704	884,433
1975-76	22,952,573	4,622,494	2,036,664	1,055,881
1976-77	23,098,351	4,321,245	2,348,831	1,208,451

	Dept. of Defense	Corporations	Foundations	Indiv. & UI Foundation[1]
1972-73	614,624	400,578	789,133	1,289,644
1973-74	954,326	638,859	1,309,017	861,978
1974-75	664,222	1,204,238	713,441	695,153
1975-76	808,236	845,405	1,391,529	3,012,545
1976-77	906,139	1,220,477	1,088,119	2,722,079

3. A comparison of funds received by purpose (in thousands)

	72-73	73-74	74-75	75-76	76-77
Research	17,313	24,602	20,025	20,736	24,181
Training	5,969	5,619	7,488[5]	4,192	4,166
Fellow. & Scholar.	3,073	2,726	2,456	3,961	2,094
Capital Improvement	973	1,008	4,503	4,415	887
Loan Funds	1,636	1,303	1,268	1,760	4,414
Miscellaneous[2]	1,282	376	401	863	958
Educ. Development[3]	2,783	3,813	5,000	4,499	4,061
Community Service[4]		1,862	2,612	2,552	3,534

[1] Represents money transferred to the University by U of I Foundation, and gifts from individuals directly to University. Gifts under $500 are not included in thi report.

[2] Includes Regional Medical Planning grant, library resources, Upward Bound (FY 70 through 73).

[3] Capitation and curriculum development.

[4] Regional Medical, Family Planning, etc.

[5] A system was introduced to report grants at time of receipt rather than beginning date. Thus receipts will appear higher than usual because of overlapping reportin This is particularly true of training grants that began on July 1, 1975.

Prepared in
Office of the Vice President
for Educational Development
and Research
7/15/77

	Applications*	All Pending[3]	Awards Based On Date Award Received	 Date Project Starts
Nursing				
Current Year	949,475	806,109	413,684	406,224
Previous Year	2,489,869	2,360,360	724,000	-
Increase or Decrease	-62%	-66%	-43%	-
Pharmacy				
Current Year	1,402,565	941,777	829,767	755,727
Previous Year	1,823,757	1,434,887	387,309	-
Increase or Decrease	-23%	-34%	114%	-
Education				
Current Year	1,802,131	1,499,269	499,183	485,531
Previous Year	3,874,182	2,392,952	931,020	-
Increase or Decrease	-53%	-37%	-46%	-
Other Administrative Units				
Current Year	8,479,338	2,931,792	9,589,515[2]	8,960,015
Previous Year	7,460,066	3,644,456	10,832,792[1]	-
Increase or Decrease	14%	-20%	-11%	-

*Number of Applications	June 1977	June 1976
New and Competitive Renewals	104	96
Continuations	34	25
Totals	138	121

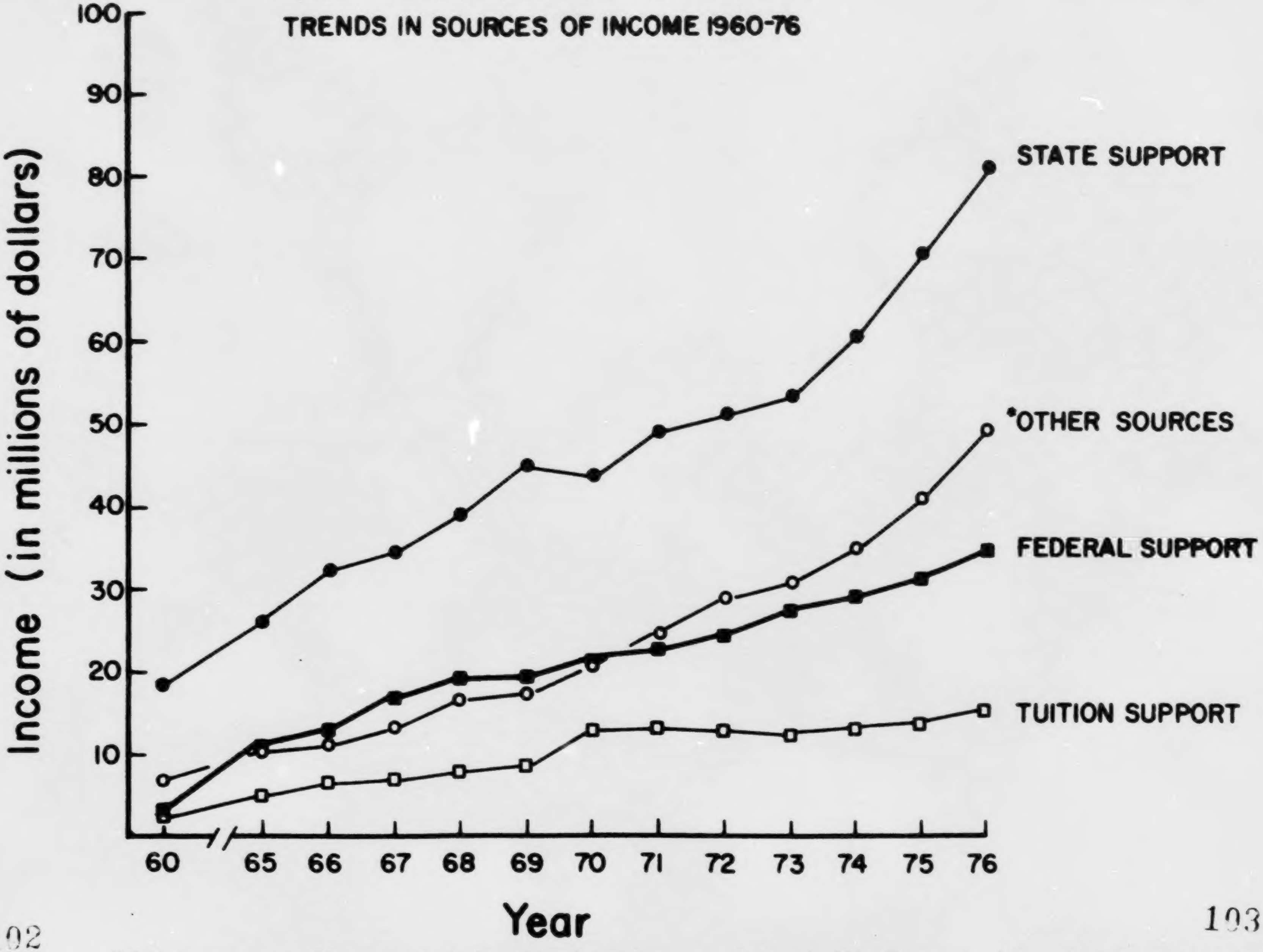
[1] This figure includes $2,000,000 hospital construction funds.

[2] Because of the change in reporting of grants to date of receipt rather than beginning date, awards will appear lower. This is particularly true of training grants that begin on July 1 and Financial Aid from OE.

[3] Due to the large number of applications, we cleared the file of out-of-date applications earlier than last year. This could account for the apparent decrease in the amounts still pending.

THE UNIVERSITY OF IOWA

TRENDS IN SOURCES OF INCOME 1960-76

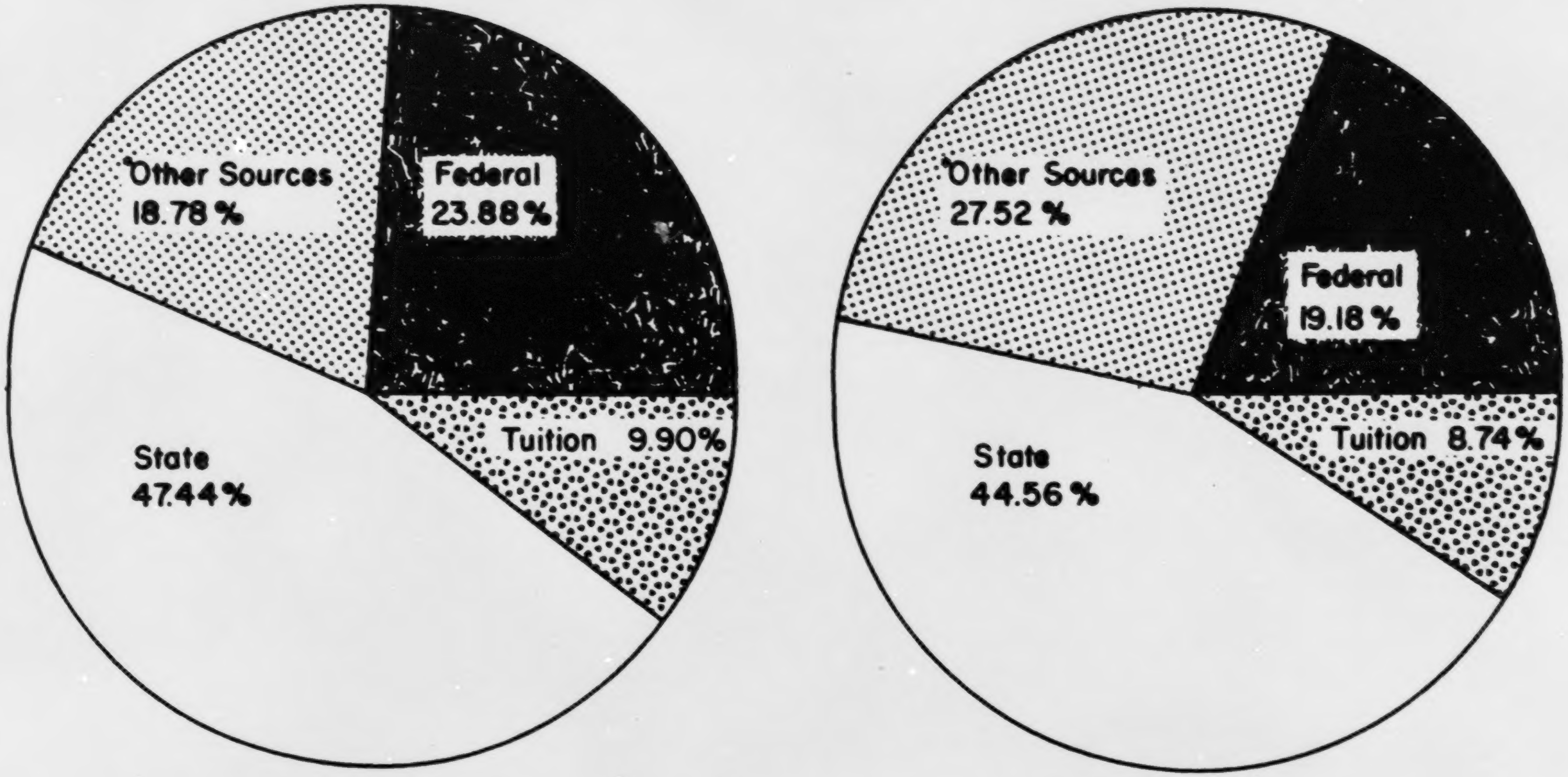


*Other sources of income include patient service, non-federal gifts & grants, interest on investments, and sales & service.

THE UNIVERSITY OF IOWA

SIGNIFICANT DROP OF FEDERAL SUPPORT AS PERCENTAGE OF TOTAL UNIVERSITY SUPPORT

1967-1976



1966-1967

1975-1976

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*Other sources of income include patient service, non-federal gifts and grants, interest on investments, and sales and service.

FEDERAL LOSSES ON EDUCATION PROGRAMS

- A brief explanation -

In November, 1973, the University presented to the Board of Regents a listing of over 70 federally supported, health related education programs that had been abruptly discontinued or scheduled for a 5 year phase-out due to precipitous changes in federal priorities and policies. The new federal posture was that states must begin to pick up the costs of these health education programs if they were to be continued. Many of these discountinued programs had been funded at the University for an extended period of time, some for over 20 years, and their budgets included sizable amounts for faculty salaries as well as important student support. The Board determined that replacement funding must be found and approved by forwarding to the Governor an analysis of the funding problems related to the endangered programs. The Governor concurred that State support of these programs was needed and requested that the legislature appropriate a contingency fund to cover actual losses. Senate File 1386 was passed which authorized a $3 million contingency fund to replace actual federal losses that occurred at the Regent institutions during the 1973-75 biennium. From this fund, the University drew $1,525,708 for actual losses incurred during the 1974-75 year. For the continued phase-out of these same programs, additional contingencies were appropriated the following year which allowed $1,696,799 to be drawn down for actual losses in the 1975-76 year. The University will lose an additional $2,214,766 in 1976-77 and is projected to lose $1,300,000 in 1977-78, when federal phase-out plans are scheduled for completion.

The sixteen million loss over the five year period shows the serious fiscal consequences when the federal government pulls away from support that had been expected to remain consistent. These education programs had been expanded in response to serious state and national shortages of health professionals. This expansion was made on the clear understanding that the federal government would continue to provide operating funds for health instructional programs in the form of training grants and increasing levels of capitation grants.

It is crucial to the continuation of the health programs at the University of Iowa that we receive State replacement for the funds we actually lose during the current fiscal year and the next if we are to maintain the current levels of enrollment in these health programs. Our requests are being debated before the State Legislature now. It is also critical that the federal government maintain in the future the capitation program that now exists.

FEDERAL FUND LOSSES

for

Instructional Programs, Health Sciences and Related Programs

	Legislative Appropriations to Regent Institutions for Federal Losses	University of Iowa Drawdown Based on Final Award--Actual and (Proposed)
1974-75	\$3,000,000[1]	\$1,525,708
1975-76	\$2,450,000	\$1,696,799
1976-77	\$2,900,000	(\$2,214,766[2])
1977-78	\$2,000,000[3]	(\$1,300,000[3])

1. Legislature appropriated money for 1973-75 period, but Regent institutions agreed to draw funds only for the 1974-75 period.

2. Although the legislature appropriated funds to cover this loss, the State Comptroller has directed that \$600,000 be reallocated for other purposes. Drawdown is undetermined at this time.

3. The Regents have requested this sum from the legislature. The Governor did not include this amount in his askings. Outcome uncertain at this time.

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